



# **NAVAL POSTGRADUATE SCHOOL**

**MONTEREY, CALIFORNIA**

## **THESIS**

**WHO'S IN CHARGE?  
DEFENSE POLICY FORMATION IN JAPAN**

by

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September 2010

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**WHO'S IN CHARGE?  
DEFENSE POLICY FORMATION IN JAPAN**

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## **ABSTRACT**

Considerable analytic effort has been expended explaining the Japanese government's economic and industrial policy formation processes. These theories, however, have seldom been applied to defense policy. This thesis tests the applicability of these theories, notably the plan-rational and principal-agent models, to the relationship between bureaucrats, the Diet, and the Cabinet during defense policy formation. The interaction between these three groups and the applicability of these two models are analyzed in case studies on Japan's ballistic missile defense program and the relocation of Marine Corps Air Station Futenma. Both these case studies indicate that bureaucrats hold a subordinate position to both the Diet and Cabinet. Consequently, the plan-rational model appears to have little utility when it is applied to defense policy, but a revised principal-agent model may be applicable.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

BMD	Ballistic Missile Defense
CLB	Cabinet Legislation Bureau
DPJ	Democratic Party of Japan
FRF	Futenma Replacement Facility
ICBM	Intercontinental Ballistic Missile
JASDF	Japan Air Self Defense Force
JCP	Japanese Communist Party
JDA	Japan Defense Agency
JGSDF	Japan Ground Self Defense Force
JMSDF	Japan Maritime Self Defense Force
JSDF	Japan Self Defense Force
LDP	Liberal Democratic Party
MCAS	Marine Corps Air Station
MEF	Marine Expeditionary Force
METI	Ministry of Economy, Trade and Industry
MITI	Ministry of International Trade and Industry
MOD	Ministry of Defense
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOU	Memorandum of Understanding
NMD	National Missile Defense
PAC-3	Patriot Advanced Capability-3
PARC	Policy Affairs Research Council
PRC	Policy Research Council
SACO	Special Action Committee on Okinawa
SDPJ	Social Democratic Party of Japan
SDI	Strategic Defense Initiative
TMD	Theater Missile Defense
USFJ	United States Forces Japan

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# **I. JAPANESE POLICY FORMATION**

## **A. OVERVIEW**

While thousands of pages have been written about public policy formation in Japan, very few of them specifically examine national security decisions. Understandably, much of the policy formation literature focuses on economic, trade, and industrial policy, but understanding Japanese defense decisions, in particular, will become ever more important as Tokyo increasingly asserts itself internationally. This thesis seeks to partially bridge this gap by examining the applicability of a specific subset of these theories to defense policy.

Unfortunately, there is little consensus among the different theories of Japanese policy formation. Explanations run the gamut from the plan-rational model where bureaucrats are the powerbrokers to the principal-agent model where politicians rule. While these theories tend to mark the boundaries of the debate, numerous variations and composites have been proposed, each with its own formula for assigning policy-making power. While it is reasonable to assume one or more of these models will describe the national security establishment, defense-specific sensitivities could preclude their utility. Consequently, these theories must be tested against a comprehensive set of defense policies before accepting their applicability. While far from comprehensive, this thesis will use two case studies focused on the relationship between bureaucrats and politicians in order to make a tentative determination on the effectiveness of existing policy formation theories to national security.

This thesis is divided into four chapters. The first will lay the groundwork for analyzing defense policy formation. It will describe how the Japanese government is organized on paper, explain theories of how it works in reality, and then briefly describe the organization of the Ministry of Defense in particular. The second chapter is a case study on Japan's participation with the United States on ballistic missile defense (BMD). This case study highlights how the bureaucracy and political leadership formulate policy on a relatively uncontroversial and highly technical program. The third chapter is a case

study on the relocation of Marine Corps Air Station (MCAS) Futenma, emphasizing the actions taken by the Democratic Party of Japan (DPJ). This is instructive since it is the only complete case study on the DPJ government so far, highlights policy formation on an extremely contentious topic, and shows an active effort on behalf of the political leadership to change policy formation processes throughout the Japanese government.

The conclusion will demonstrate that in these two case studies politicians hold a superior, if not dominant, position in defense policy formation. Consequently, the plan-rational model is not a useful theory when analyzing the defense establishment. Additionally, while the principal-agent model appears to be more applicable, these case studies indicate it will need to be modified to incorporate the peculiarities of Japanese defense policy.

## **B. ORGANIZATION OF THE JAPANESE GOVERNMENT**

### **1. Organization of the Bureaucracy**

Key aspects of Japanese policy formation theories are based on the incentives bureaucrats face due to their own career progression or how the bureaucracy is organized. Consequently, a brief description of both will be necessary before describing the policy formation theories.

#### ***a. Organization of the Ministries***

Japanese ministries are organized in a hierarchical structure. The lowest level of organization is the section and is composed of between 20 to 30 personnel. Above the sections are the departments, which are then organized into bureaus. Bureaus are the highest sub-ministerial bureaucratic organization and each ministry may contain anywhere from six to 12 of them.<sup>1</sup> The head of each ministry is a politically appointed cabinet member, or minister, who typically only holds his or her position for a short period. Below the minister are the administrative vice minister and the parliamentary

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<sup>1</sup> T. J. Pempel and Michio Muramatsu, "The Japanese Bureaucracy and Economic Development: Structuring a Proactive Civil Service," in *The Japanese Civil Service and Economic Development: Catalysts of Change*, ed. Hyung-ki Kim, et al. (Oxford: Oxford University Press, 1995), 43.

vice minister. The administrative vice minister is the most senior bureaucrat in the ministry, often having 25 or more years of experience.<sup>2</sup> The parliamentary vice-minister is a political appointee who traditionally possesses minimal power.<sup>3</sup> As part of the governmental reforms implemented in 2001, the number of political appointees in each ministry increased to approximately six, but the fundamental structure remained unchanged.<sup>4</sup>

Numerous efforts have attempted to increase the number or power of political appointees in each ministry; however, this basic organization has held firm for much of the post-war period and was dominant during the creation of most Japanese policy formation theories. The significant reforms enacted under Prime Minister Hashimoto are discussed below and the current reform efforts by the DPJ are discussed in the Futenma case study.

Additionally, bureaucracies should not be seen as monolithic entities. Frequently, different bureaus within one ministry would promote different policy positions. This will become apparent in the BMD case study, where those ministries that could have most forcefully opposed the program were unable to create a unified position.

#### ***b. Bureaucratic Careers***

Becoming a bureaucrat in Japan is highly competitive but largely perceived to be based on merit. Traditionally, most successful applicants graduated with a law degree from the University of Tokyo, although that is not a formal requirement. Aspiring bureaucrats must take a civil service exam and only a small percentage of those applicants will be selected for interviews.<sup>5</sup> Those fortunate enough to be hired begin a

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<sup>2</sup> Pempel and Muramatsu, "Japanese," 37–38.

<sup>3</sup> John C. Campbell, "Democracy and Bureaucracy in Japan," in *Democracy in Japan*, ed. Takeshi Ishida and Ellis S. Krauss (Pittsburgh: University of Pittsburgh Press, 1989), 116–117.

<sup>4</sup> T. J. Pempel, "Learning to Lose is for Losers: The Japanese LDP's Reform Struggle," in *Political Transitions in Dominant Party Systems: Learning to Lose*, ed. Joseph Wong and Edward Friedman (London: Routledge, 2008). 122.

<sup>5</sup> The Japanese civil service administers three classes of exams for various levels of bureaucratic jobs. Those applicants aspiring to the elite levels of the bureaucracy must take the Class I exams (Pempel and Muramatsu, "Japanese Bureaucracy," 43).

five to ten year training period. During this time they rotate among various bureaus, sometimes briefly to other ministries or overseas, and undergo formal instruction in order to broaden their experience. This process is an intentional outgrowth of the Japanese preference for generalists over specialists. With only a few exceptions specialists are barred from senior bureaucratic positions.<sup>6</sup>

Seniority is a primary concern in personnel decisions and bureaucrats will never be placed in positions over those senior to them. Dramatically, this means that when a new administrative vice minister is appointed everyone of equal or greater seniority retires so that he or she will become the most senior member of the ministry.<sup>7</sup> Retirement, however, is usually not unpleasant for bureaucrats as it happens at the around age 50 and usually results in a lucrative second career in business. These well-paying private sector jobs help mitigate the relatively low wages they received during their time in the civil service. Furthermore, ministries typically assist their retiring bureaucrats in finding second jobs. This process has become known as *amakudari* or ‘descent from heaven.’<sup>8</sup> Often retired civil servants pursue political careers instead of business. In fact, many post-war Prime Ministers were retired bureaucrats.<sup>9</sup>

## **2. Organization of Political Parties**

Political parties form the second leg in the government’s policy formation structure. While these are not governmental organizations per se, their membership fills the seats in the Diet and Cabinet. Since the Liberal Democratic Party (LDP) was in power continuously from 1955 to 2009 with only a brief interregnum in the early 1990s considerable academic effort has been expended analyzing its processes. While some doubt exists as to the current applicability of past work on the LDP it will be necessary and useful to briefly explain its origins and traditional policy procedures. The Democratic Party of Japan (DPJ) is a relative upstart. Consequently, considerably less

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<sup>6</sup> Campbell, “Democracy,” 117–120.

<sup>7</sup> Ibid., 118–119.

<sup>8</sup> Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975* (Stanford, CA: Stanford University Press, 1982), 63–65.

<sup>9</sup> Campbell, “Democracy,” 119.

academic writing exists on this party and its policy procedures are not yet solidified. This section will briefly describe the DPJ's objectives in reforming the policy-making process but will discuss its implementation in the Futenma case study.

*a. The Liberal Democratic Party*

Aside from a brief interruption following the 1993 elections, the LDP maintained uninterrupted power from 1955 to 2009. Consequently, its techniques of maintaining power, creating policy, and working with the various parts of government have been well documented. Two aspects of the LDP's policy formation processes are particularly relevant to this thesis and must be briefly described.

(1) *Zoku*. Loosely translated as "family" or "tribes," *zoku* are informal organizations composed of members of the Diet who possess superior knowledge in a specific policy area.<sup>10</sup> These politicians typically staff the applicable portion of the Policy Affairs Research Council (PARC) where they can exert significant influence on their policy niche.<sup>11</sup> While a defense policy *zoku* exists, it is typically amongst the smallest. For example, in 1990, there was only one LDP Diet member in the defense *zoku* who also held a committee membership. In the same year the finance, commerce, and construction *zoku* each had eight members on committees.<sup>12</sup> This lack of interest and expertise likely prevents the Diet from asserting itself too forcefully in defense policy formation and may partially explain its apparent passivity in the BMD case study.

(2) Policy Affairs Research Council. The PARC is an extensive policy formulating organization within the LDP. It is subdivided into multiple functionally separate policy committees that mirror the organization of the Japanese

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<sup>10</sup> Bradley Richardson, *Japanese Democracy: Power, Coordination, and Performance* (New Haven, CT: Yale University Press, 1997), 55.

<sup>11</sup> Leonard J. Schoppa, "Zoku Power and LDP Power: A Case Study of the Zoku Role in Education Policy," *Journal of Japanese Studies* 17, no. 1 (Winter 1991), 82–83, <http://www.jstor.org/stable/132908>.

<sup>12</sup> Since *zoku* are informal organizations without official memberships, observers must use their own definitions to determine who belongs to one. Richardson's definition is more stringent than most authors resulting in numbers that are arguably too low. These numbers are sufficient here, however, to illustrate the disparity between defense and other policy areas (Richardson, *Japanese*, 56).

government.<sup>13</sup> When the LDP was in power all legislation had to be approved by the PARC before it moved to a vote in the Diet. This effectively allowed the PARC to hold a veto on any proposed legislation.<sup>14</sup> Likewise, any intra-party dissension was intended to be resolved within the PARC, which allowed the disparate elements of the LDP to act like “a disciplined corporate unit within the Diet.”<sup>15</sup> As a result, this became the venue in which bureaucrats and party members negotiated legislation.<sup>16</sup> This authority made the PARC the de facto power center for policy formation within the LDP and could only be overruled by a very select group of party leaders or the party executive council.<sup>17</sup>

***b. The Democratic Party of Japan***

Little can be said for certain about the DPJ’s internal policy formation procedures. Since mid-2009, the DPJ has undergone several different policy-making structures with the goal of concentrating power in the party leadership. Internal to the DPJ, the leadership has devised rules that limit the power of junior members. Similarly, upon assuming power in September 2009, the DPJ has sought to undermine the power of the bureaucracy and concentrate it in the Cabinet. Both of these themes will be explored at length in the Futenma case study.

***c. Other Japanese Parties***

The Japanese Diet also contains other parties like the Komeito, the Japan Communist Party (JCP), and the Social Democratic Party of Japan (SDPJ). These parties, however, tend to only hold a few seats and aside from a few notable instances where they were required for coalitions have exerted little influence on policy formation. Consequently, elaborating these parties’ internal policy processes is not necessary for this thesis.

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<sup>13</sup> Richardson, *Japanese*, 50–51.

<sup>14</sup> Aurelia George Mulgan, "Japan's 'Un-Westminster' System: Impediments to Reform in a Crisis Economy," *Government and Opposition* 38, no. 1 (January 2003): doi: 10.1111/1477-7053.t01-1-00005. 77.

<sup>15</sup> Richardson, *Japanese*, 69.

<sup>16</sup> Mulgan, "Japan's," 83.

<sup>17</sup> Richardson, *Japanese*, 69.

### 3. Organization of the Executive

The third leg of the government's policy formation structure is the executive. This segment of the government is composed of the Prime Minister, the Cabinet, the Cabinet Office, and the Cabinet Secretariat.

#### a. *Strengthening the Executive*

For most of the post-war period, the Japanese Prime Minister has been politically weak, especially in comparison to his international peers.<sup>18</sup> In fact, for much of this period the Prime Minister did not even have explicit authority to introduce bills to the Diet, relying on surrogates instead.<sup>19</sup> This began to change in the 1990s, however, after Japan suffered a series of embarrassments, highlighting the need for a more effective and decisive executive.<sup>20</sup> The result was the 1999 passage of the Law to Amend the Cabinet Law and the Law to Establish the Cabinet Office. Both laws went into effect in 2001.<sup>21</sup>

Most observers believe this reorganization helped strengthen the executive over both the bureaucracy and the political parties, although the degree to which it has is still debated.<sup>22</sup> Among other changes, the Prime Minister gained explicit legal authorization to propose legislation to the Diet.<sup>23</sup> Furthermore, the number of political appointees in each ministry increased, some aspects of bureaucratic authority were curtailed, the Cabinet Office was created, and Cabinet Secretariat was strengthened.<sup>24</sup>

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<sup>18</sup> Campbell, "Democracy," 123.

<sup>19</sup> Mulgan, "Japan's," 85.

<sup>20</sup> Tomohito Shinoda, *Koizumi Diplomacy: Japan's Kantei Approach to Foreign and Defense Affairs* (Seattle, Washington: University of Washington Press, 2007). 63-64.

<sup>21</sup> Mulgan, "Japan's," 87.

<sup>22</sup> Pempel, "Learning," 122.

<sup>23</sup> Mulgan, "Japan's," 87.

<sup>24</sup> Pempel, "Learning," 122.

***b. The Cabinet Secretariat***

The authority of the Cabinet Secretariat dramatically grew in 2001 when it became “an organ of the Cabinet,” responsible for policy “coordination at the highest level.”<sup>25</sup> Due the reorganization, the Cabinet Secretariat grew from a paltry 184 personnel in 1999 to more than 700 in 2008.<sup>26</sup> Significantly, much of the motivation for increasing the permanent staff of the Cabinet Secretariat was to prevent it from being dominated by personnel “seconded” from the various ministries whose primary loyalty lay with their parent bureaucracy.<sup>27</sup>

The Cabinet Secretariat is lead by the Chief Cabinet Secretary. This is a ministerial level political appointment and effectively second only to the Prime Minister, combining roughly the same powers and responsibilities as the American Vice President, Chief of Staff, National Security Advisor, and spokesman. Given this wide range of roles, the Chief Cabinet Secretary is in a position to exert significant influence on any policy area including defense.<sup>28</sup> Indeed, the influence of the Chief Cabinet Secretary was key to advancing the BMD program in the late 1990s. Likewise, an ineffective Chief Cabinet Secretary contributed to the DPJ’s fiasco over Futenma.

Several other personnel influence defense policy. These include the Deputy Chief Cabinet Secretary for Administration, who is the nominal head of the national bureaucracy, the Deputy Chief Cabinet Secretary for Crisis Management, Assistant Chief Cabinet Secretary for National Security and Crisis Management, and the Director of National Intelligence. Additionally, one of the five Special Advisors to the Prime Minister is dedicated to defense policy.<sup>29</sup>

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<sup>25</sup> Mulgan, “Japan’s,” 88.

<sup>26</sup> Pempel, “Learning,” 122; Yuki Tatsumi, *Japan's National Security Policy Infrastructure: Can Tokyo Meet Washington's Expectations?* (Washington, D.C.: The Henry L. Stimson Center, 2008). 52.

<sup>27</sup> Mulgan, “Japan’s,” 87

<sup>28</sup> Tatsumi, *Japan’s*, 53–54.

<sup>29</sup> *Ibid.*, 53–56.



*c. The Cabinet Office*

Replacing the Prime Minister's Office in 2001, the Cabinet Office was given the authority to coordinate policy between the various ministries. These new powers made it easier for prime ministers to directly provide guidance to members of the Cabinet and the bureaucracy and to compel their compliance.<sup>30</sup> Naturally, this required a larger staff, which grew from the 582 personnel in the former Prime Minister's Office to over 2,200 in just two years.<sup>31</sup>

**C. THE PLAN-RATIONAL STATE: BUREAUCRATS RULE, POLITICIANS REIGN**

**1. Overview**

The previous sections outlining how the Japanese government is organized have largely been restricted to descriptions of formal policy-making authority. In other words, these sections mostly described the official powers of each portion of the government's policy formation structure. This does not, however, account for more informal means of power like control of information, deference to certain groups, or other more intangible means of control. These aspects, as in any government, play a large role in how policy is actually made and implemented. The analysis of these informal centers of power has resulted in widely divergent theories of policy formation. One of the most influential paradigms is the plan-rational or developmental state model.

The concept of the plan-rational state is most closely associated with Chalmers Johnson and his book *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975*. The underlying theme is succinctly stated by Johnson as, "[t]he politicians reign and the bureaucrats rule."<sup>32</sup> Johnson argues there are three "central institutions" in Japanese policy-making, "the bureaucracy, the LDP, and the larger Japanese business concerns." Each of these has a distinct role. LDP approval "legitimate[s] the work of the

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<sup>30</sup> Mulgan, "Japan's," 88.

<sup>31</sup> Pempel, "Learning," 122.

<sup>32</sup> Johnson, *MITI*, 154.

bureaucracy.” The bureaucracy creates and implements policies that are beneficial to the nation, which indirectly helps the LDP win elections. The business community funds the LDP in return in an attempt to gain influence on policy.<sup>33</sup> Since this thesis is focused on the relationship between defense bureaucrats and politicians, it will not contain more than incidental information on the business community.

## **2. Bureaucratic Control of Politicians**

At its core, Johnson describes a system with a tremendous power imbalance of bureaucrats over politicians, largely based on the structure and processes adopted by the Japanese government.

Central to this is how little control the politically appointed head of each ministry has over his or her subordinates. This is partly a function of being numerically overwhelmed since there are so few political appointees in each ministry. Furthermore, of these, only the minister is a seasoned, experienced politician and the parliamentary vice ministers are effectively powerless.<sup>34</sup> Additionally, the political appointees typically hold their positions for only one to one and a half years, whereas their senior civil service subordinates have been bureaucrats for 25 to 30 years. Consequently, bureaucrats are simply more knowledgeable and can overcome their political supervisors on most matters that require expertise.<sup>35</sup> Exacerbating this, the bureaucrats typically feel a greater loyalty to one another than to the political leadership and openly scorn peers who are perceived to have violated this. With this strong group identity, bureaucrats will resort to underhanded measures to block political influence.<sup>36</sup>

Bureaucratic control, Johnson argues, extends beyond the ministry and up through the Diet and Cabinet. Accordingly, legislation is not truly negotiated amongst politicians but rather inside and between the various elements of the bureaucracy.<sup>37</sup> To control the

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<sup>33</sup> Johnson, *MITI*, 50.

<sup>34</sup> Campbell, “Democracy,” 117.

<sup>35</sup> Pempel and Muramatsu, “Japanese,” 38.

<sup>36</sup> Johnson, *MITI*, 54–55

<sup>37</sup> *Ibid.*, 47.

executive, the administrative vice-ministers met the day before the Cabinet with the purpose of agreeing on the agenda and decisions that would be reached the next day. As a result, Cabinet meetings typically lasted less than 15 minutes and resulted in numerous approvals but little discussion.<sup>38</sup>

Similarly, Johnson asserts that bureaucrats are the driving force behind the majority of legislation passed in the Diet and that legislators do little more than rubber stamp proposed bills. He supports this claim with the quantity of bills drafted by the bureaucracy and their high passage rate compared against those written by Diet members. For example, during one session of the Diet in the 1950s, the bureaucracy drafted 175 bills with 145 of them becoming law (82.9 percent). Diet members, however, wrote just 68 bills and only 15 of them passed (22.1 percent).<sup>39</sup> Further supporting this, Johnson rejects the widespread perception that the PARC plays any meaningful role in supervising the bureaucracy or generating policy, stating the, “evidence to support such a view is quite thin.” Instead, Johnson argues that while the PARC does conduct some limited oversight of the bureaucracy, too many of the Diet members who serve in it are retired bureaucrats for it to be a truly independent body.<sup>40</sup>

Despite the preponderance of the bureaucracy, the LDP and Diet have two important roles. First, since the Diet is the supreme political authority in a democratic Japan its approval is necessary to demonstrate that the bureaucracy’s actions are sanctioned and legitimate. Secondly, they provide sufficient political room for bureaucrats to perform their duties. In effect, the politicians are expected to shield bureaucrats from special interests so that the latter can make policies that benefit all of Japan instead of just a small sector. Related to this, Johnson argues that both “the legislative and judicial branches of government must be restricted to ‘safety valve’ functions” to curtail those rare occasions of bureaucratic overreach.<sup>41</sup>

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<sup>38</sup> Karel van Wolferen, *The Enigma of Japanese Power: People and Politics in a Stateless Nation* (New York, NY: Alfred A. Knopf, 1989). 32.

<sup>39</sup> Johnson, *MITI*, 47.

<sup>40</sup> Chalmers Johnson, *Japan: Who Governs?* (New York, NY: W. W. Norton and Co., 1995). 121–122.

<sup>41</sup> *Ibid.*, 50, 154, 315

The ideal minister, from a bureaucrat's perspective, is one who is powerful politically and detached administratively. Bureaucrats want a minister who is strong enough within the party and Diet to serve as a forceful advocate but is uninterested in influencing the internal workings of his or her ministry. Unfortunately for the bureaucrats, this combination is rare, as those people who can gain political power often have their own ideas. Johnson asserts that aside from the education and agricultural bureaucracies, ministers who attempted to exert control over their ministries have seldom made any lasting impact.<sup>42</sup>

#### **D. THE PRINCIPAL-AGENT MODEL: POLITICIANS DELEGATE, BUREAUCRATS SERVE**

##### **1. Overview: Same Data, Different Conclusions**

Chalmers Johnson and the concept of the plan-rational state are not without critics. In 1993, J. Mark Ramseyer and Frances McCall Rosenbluth published *Japan's Political Marketplace*, which articulated a counterargument to Johnson. Their underlying premise is that the relationship between Japanese politicians and bureaucrats follows a principal-agent model in which the politicians are the principals and the bureaucrats are their agents. In this model, bureaucrats know that politicians can easily override and punish them so instead of challenging that authority, they opt to proactively implement the goals of the political leadership. Importantly, this theory is “observationally equivalent” to Johnson’s plan-rational model since it prompts behavior that looks identical.<sup>43</sup> Pempel and Muramatsu succinctly describe this phenomenon stating, “In short, what appeared to be a high level of bureaucratic autonomy from politics reflected instead an LDP so powerful *vis-à-vis* the broad outlines of the civil service, its policies, and its personnel as to make day-to-day intervention unnecessary.”<sup>44</sup>

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<sup>42</sup> The LDP had strong incentives to interfere in agricultural policy due to its dependency on rural voters. Likewise, the LDP’s ideological conflict with the left leaning teachers unions prompted politicians to tightly control the Education Ministry (Johnson, *MITI*, 52–54).

<sup>43</sup> J. Mark Ramseyer and Frances McCall Rosenbluth, *Japan's Political Marketplace* (Cambridge, MA: Harvard University Press, 1993). 102.

<sup>44</sup> Pempel and Muramatsu, “Japanese,” 40.

## 2. Political Control of Bureaucrats

Ramseyer and Rosenbluth assert that politicians control bureaucrats through the use of “implicit contracts.” These fall into four categories.<sup>45</sup>

The first implicit contract is the power of the veto. Bureaucrats know that they will lose any overt confrontation with the political leadership. Consequently, they do not propose legislation or implement regulations that they believe will incite political intervention. This does not mean that bureaucrats will enact the exact policies preferred by the politicians but it will constrain their actions to some permissible amount of slack.<sup>46</sup>

Second, the politicians decide who gets promoted to the highest positions in the bureaucracy. Consequently, ambitious bureaucrats have incentives to formulate policies that are popular with the political leadership and ensure their subordinates implement them. Furthermore, this causes self-selection into the bureaucratic ranks. Given the LDP’s long hold on power, people who disagreed with the government’s policies did not even try to become bureaucrats, resulting in a civil service that was inherently aligned with the dominant party.<sup>47</sup>

Third, politicians employ a variety of methods to acquire information on how faithfully the bureaucracy is implementing their desires. For example, politicians encourage their constituents to complain about policies they dislike. Additionally, the LDP (and possibly now the DPJ) identify ambitious bureaucrats who want a second career in politics. In return for reporting agency slack, they receive political support in their post-civil service election campaigns. Also, the LDP pits various bureaucracies against each other, which incites them to report slack in other agencies.<sup>48</sup>

Fourth, politicians take advantage of *amakudari* by treating it like a bond. Since bureaucrats are typically in their forties or fifties when they reach mandatory retirement age and since they are not paid particularly competitive wages while in government

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<sup>45</sup> Ramseyer and Rosenbluth, *Japan’s*, 6.

<sup>46</sup> Ibid., 107.

<sup>47</sup> Ibid., 107.

<sup>48</sup> Ibid., 107.

service, they need well paying second careers. Furthermore, since the amount of money they can earn in the private sector is generally tied to how high they rose in the bureaucracy, their post-government salary is linked to the politically controlled promotion system. Even more blatantly, politicians can help individual bureaucrats find their second careers. Consequently, faithfully executing the politicians' goals can dramatically improve a bureaucrat's earning potential, whereas impeding them could carry a significant personal financial penalty.<sup>49</sup>

### **3. Policy Delegation Rationale**

The implicit contracts concept demonstrates that politicians have a number of tools to control bureaucrats at a low cost to themselves, but it is insufficient to explain why the bureaucracy drafts the majority of legislation and appears to unilaterally implement countless regulations. While Chalmers Johnson sees these activities as evidence of a powerful bureaucracy, Ramseyer and Rosenbluth see this as the manifestation of a dominant political party that has realized delegation to the bureaucracy gives it a distinct political advantage.

Members of the Diet have shockingly small staffs, usually only having two state-funded personnel each. If the LDP increased this number, it would not gain any advantage since the opposition would also benefit. However, when the LDP was firmly entrenched in power bureaucrats understood that their personal interests were best served by providing preferential treatment to the dominant party. Consequently, the bureaucracy informally became the personal staff of the LDP and the opposition parties were left to fend for themselves. This also accounts for the high passage rate of bills drafted by the bureaucracy. If bureaucrats are already working as the de facto staff of the dominant party, then any bills they write will have been implicitly or explicitly ordered by the LDP. Accordingly, it is natural that the Diet would approve the vast majority of them.<sup>50</sup>

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<sup>49</sup> Ramseyer and Rosenbluth, *Japan's*, 107–108.

<sup>50</sup> Ibid., 103-107.

## **E. A CONFUSING MIDDLE-GROUND**

### **1. Who's in Charge Here? Everyone and No One**

Johnson's plan-rational model and Ramseyer and Rosenbluth's principal-agent model typify the two extremes in the debate on Japanese policy formation. Many, if not most, other analysts fall somewhere in the middle, believing that there are various power sharing arrangements but no dominant groups. Karel van Wolferen, while generally aligning closer to Chalmers Johnson and occasionally sounding mildly conspiratorial, captures the essence of this argument. Referring to the Diet, the bureaucracy, and big business he states, "One will find many obvious bosses but no boss among bosses, nor one single controlling group of them."<sup>51</sup> Likewise, despite the bureaucracy's apparent power, it is almost impossible to find a truly powerful bureaucrat. This results from the frequent unwillingness of the administrative vice ministers to compromise with each other. As a result they become deadlocked and effectively forfeit their own policy-making authority. In effect, the strength and weakness displayed by various segments of the Japanese government and society is unpredictable and "[n]o elegant equation showing precisely how they relate to each other in their shares of power is possible."<sup>52</sup>

Other analysts have observed that the Japanese system has many unusual characteristics. Aurelia George Mulgan has characterized it as a un-Westminster system. In a Westminster parliamentary system the cabinet is the most powerful segment of government since the backbenchers have little choice but to fall in line behind the prime minister. Policy formation and implementation is top-down and the bureaucracy obediently follows the political leadership. In Japan, however, the executive must compete with the bureaucracy and the party for influence over policy. In fact, Mulgan implicitly assigns a slight advantage to the bureaucracy when she states that the party is the only organization with enough power to bargain with it. The cabinet members are further undermined by the independence of their own political parties' internal policy

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<sup>51</sup> van Wolfren, *Enigma*, 26.

<sup>52</sup> *Ibid.*, 33–35.

formation mechanisms. As a result, the role of the prime minister largely devolves to a job that “articulate[s] the agreed consensus reached in party bureaucratic negotiations.”<sup>53</sup>

Other authors attempt to define certain areas where one segment of government may have greater power over others. For example, John Campbell argues that the bureaucracy is dominant in areas that are of little interest to politicians, traditionally, foreign aid and diplomacy, for example, but no matter how powerful the ministries may appear none of them can defeat a prolonged political pressure.<sup>54</sup> Alisa Gaunder argues that the “political resources and personal attributes” of individual leaders are key factors in the successful implementation of political reforms.<sup>55</sup> Tomohito Shinoda asserts that the 2001 government reorganization described above shifted power away from the ruling parties and to the Prime Minister and Cabinet Secretariat.<sup>56</sup> Even Chalmers Johnson acknowledges that politicians dominate the education and agriculture bureaucracies because of domestic political issues and Ramseyer and Rosenbluth admit that a certain amount of slack will occur between the politicians and bureaucrats.

The intent of this section is not to find fault with any particular school of thought but to illustrate that significantly different opinions, often using the same data, exist throughout the literature. A general trend throughout more contemporary analyses, however, is to assert that power is distributed in a multi-polar fashion and that no single group dominates. The three main participants in the government are the governing political party, the executive, and the bureaucracy. Depending on the case being examined however, the relative power of each will vary.

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<sup>53</sup> Mulgan, “Japan’s,” 76, 79–80, 85.

<sup>54</sup> Campbell, “Democracy,” 129–132.

<sup>55</sup> Alisa Gaunder, *Political Reform in Japan: Leadership Looming Large* (New York: Routledge, 2007). 135.

<sup>56</sup> Shinoda, *Koizumi*, 133–141.



## **F. THE MINISTRY OF DEFENSE**

### **1. Historical Development**

The Japan Defense Agency (JDA) was founded in the aftermath of the Pacific War, largely in response to American pressure. The Japanese government was understandably skeptical of reviving its defense establishment and created two structures to ensure its subordination to civilian authority. First, the JDA was not a full-fledged ministry but merely an agency. Consequently, it was directly administered by the Prime Minister's office. Second, the civilian-staffed Internal Bureau was created within the JDA to supervise the uniformed services. The uniformed services, for their part, were expected to merely execute the policy decided upon by the civilian leadership. From its inception to end of the Cold War, the JDA was informally placed on the policy sideline, considered more of a "management agency" rather than a "policy agency."<sup>57</sup>

Exacerbating its junior status was the fact that the other ministries saw the JDA as a useful location to place their excess bureaucrats. Both MITI and the Ministry of Finance (MOF) were especially guilty of colonizing the JDA. This became especially pronounced in the 1970s when MOF had a surplus of senior bureaucrats and the JDA had a shortage.<sup>58</sup> Consequently, for much of the JDA's existence, its senior civilian leadership was composed of bureaucrats from other ministries who had little interest in national security or loyalty to the defense bureaucracy.

Japanese perceptions about the JDA began to change, however, after the Cold War, largely due to new security demands that highlighted the institution's weaknesses. Chief among these were increasing international expectations for Japan to participate in peacekeeping operations, changing external security threats, and the growing importance of the security alliance with the United States. Notably, Japan made only one

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<sup>57</sup> Tatsumi, *Japan's*, 33–34, 49.

<sup>58</sup> The Police Agency, which would be transformed into the JDA, did not hire any new bureaucrats in 1948 or 1952, resulting in a shortage of senior civil servants in the 1970s (Johnson, *MITI*, 77).

amendment to the Self Defense Force Law between 1954 and 1989. From 1990 to 2007, however, Japan has made more than 50 modifications.<sup>59</sup>

Eventually, these concerns prompted the Japanese government to significantly reorganize its defense establishment. In January 2007 the JDA was replaced with the Ministry of Defense (MOD) (see figure 1). This change elevated the defense bureaucracy to the highest levels of government. Importantly, the MOD was now at the same administrative level as the Ministry of Foreign Affairs (MOFA) and it could now directly negotiate its budget with MOF. Despite these changes, however, many observers still believe that the MOD struggles with policy formation and planning.<sup>60</sup>

## **2. MOD Policy Formation**

The Internal Bureau was retained in the transition from the JDA, and it still “manages the JSDF in its operation, planning, acquisition, and personnel.” Additionally it is responsible for “relations with US forces in Japan, including addressing the grievances” against the American military. Of the six sub-bureaus, the aptly named Defense Policy Bureau exerts the most influence on the ministry’s policy positions. This organization is responsible for “(1) shaping Japan’s defense policy, (2) managing the MOD’s defense exchanges, (3) planning the JSDF’s organization and platforms, and (4) playing a central role in the MOD’s efforts in collecting and analyzing intelligence.”<sup>61</sup> To accomplish these missions the Defense Policy Bureau is subdivided into multiple divisions. The most important policy ones are briefly described here.

The Defense Policy Division is the most senior division in the bureau and contains the Strategic Planning Office. This office is ostensibly tasked with “long-range strategy planning;” however its relatively low level in the Japanese bureaucracy and commensurately junior personnel limits its influence.<sup>62</sup>

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<sup>59</sup> Yuki Tatsumi and Andrew L. Oros, *Japan's New Defense Establishment: Institutions, Capabilities, and Implications* (Washington, D.C.: The Henry L. Stimson Center, 2007). 14–20.

<sup>60</sup> Tatsumi, *Japan's*, 50.

<sup>61</sup> Ibid., 46–47.

<sup>62</sup> Ibid., 48, 50.

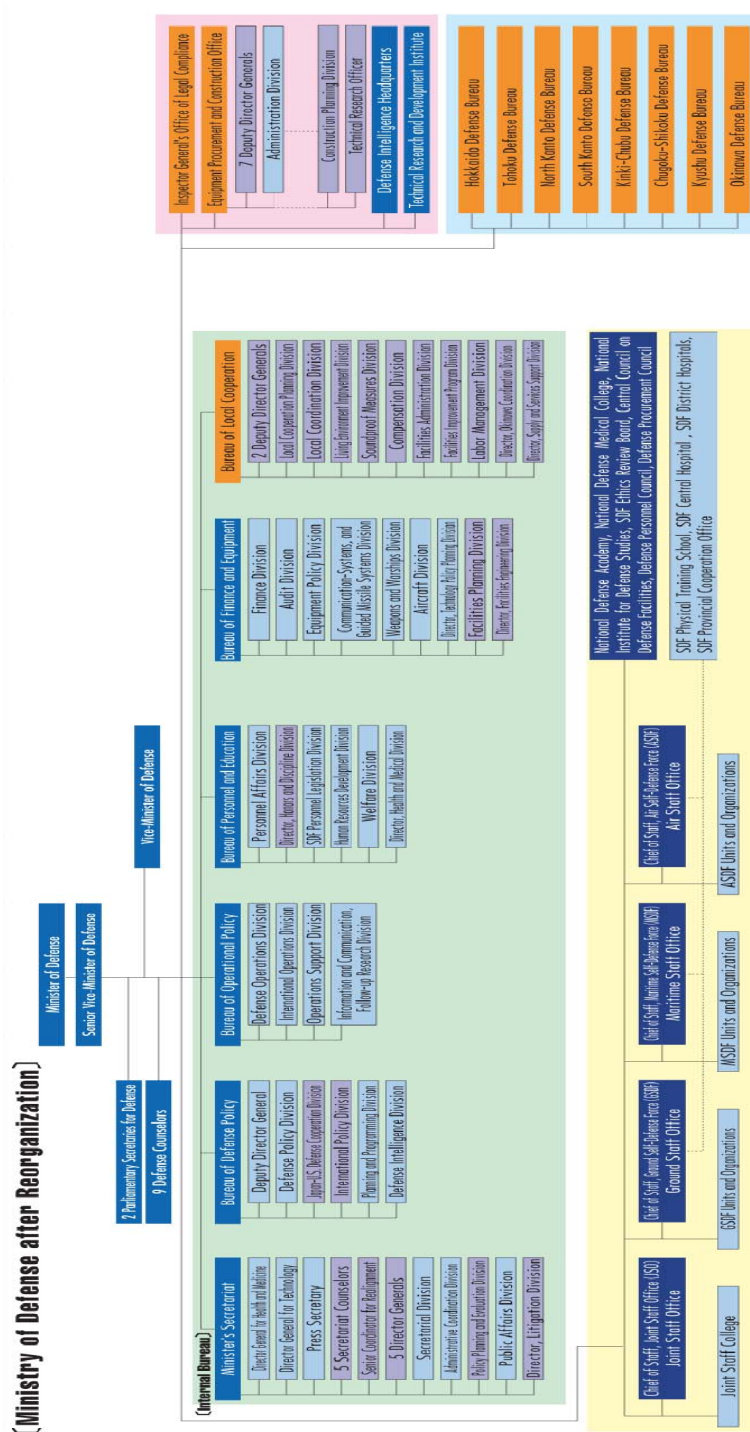


Figure 1. Ministry of Defense Organization Chart<sup>63</sup>

<sup>63</sup> Japan Ministry of Defense, "Japan Ministry of Defense," *The Ministry of Defense Reorganized*, October 2007, <http://www.mod.go.jp/e/about/organization/reorganized/p4-5.pdf> (accessed April 26, 2010).

The Japan-U.S. Defense Cooperation Division was separated from the Defense Policy Division only eight months after the formation of the MOD to allow for more focused attention on issues relating to the US-Japan Alliance.<sup>64</sup>

The International Division is tasked with managing “defense exchanges with countries other than the United States.”<sup>65</sup>

The Defense Planning Division develops procurement and upgrade plans for the hardware operated by each uniformed service.<sup>66</sup>

## **G. APPLYING THEORY TO DEFENSE POLICY FORMATION**

Unfortunately, very little of the extensive Japanese national security literature focuses on policy formation but rather on its international impact. Frequently, this is done through the prism of realism, neo-institutionalism or some other theoretical paradigm that encourages analyzing states as singular actors. To be sure, these authors acknowledge influences at each level of analysis, but this is often done in an ad hoc manner without developing a comprehensive theory for how those different domestic elements interrelate. This is quite noticeable, for example, in Chalmers Johnson’s book *Japan: Who Governs? The Rise of the Developmental State*. This book contains several essays covering the plan-rational model, but when Johnson turns to defense, he almost ignores the bureaucracy, choosing instead to focus on various prime ministers.

These characteristics in the academic literature beg the question of whether or not existing policy formation theories are appropriate for the defense sector. On the one hand, assuming these theories have broad applicability throughout the government seems reasonable. On the other hand, even the proponents of certain theories admit that they are not suitable for all policy categories and Japan certainly has unique historical and constitutional factors affecting its outlook on defense. The bottom line is that a systematic examination of the appropriateness of these theories is necessary before

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<sup>64</sup> Tatsumi, *Japan’s*, 48.

<sup>65</sup> Ibid., 48.

<sup>66</sup> Ibid., 48.

drawing any conclusions. The remainder of this thesis is an attempt to make tentative judgments on one narrow aspect of this larger question.

As John Campbell observes, analyzing the policy formation process in Japan is difficult because “different policy areas have greatly different configurations of power; general statements about the relative strength of the bureaucracy vis-à-vis the majority party, interest groups, or some other actor are hazardous unless they can be based on detailed evidence across the range of public policy.”<sup>67</sup> With this warning in mind, this thesis will analyze the relationship between defense bureaucrats and politicians and assess the applicability of existing policy formation theories. Admittedly, two case studies are insufficient to draw solid conclusions, but the cases chosen here contain characteristics that should be germane to other defense issues.

The first case study is Japan’s participation in BMD. This program provides an opportunity to examine a defense issue that has been in existence for over two decades, under multiple prime ministers, and before and after the 2001 government reorganization. Furthermore, it is a technically complex program that has been fairly uncontroversial and seemingly ignored by politicians and the public for extended periods. These characteristics are similar to most of industrial policy, which is typically complex and largely out of the public eye. Indeed, this case study will demonstrate several characteristics of Japanese defense policy formation. Notably, the Diet, despite apparent passivity, implicitly constrained the objectives of defense bureaucrats and the executive. The division between bureaucrats and the executive is harder to distinguish, but in general, it appears that bureaucrats would push the program as far as they could within the politically imposed constraints of the Diet and lay the political groundwork for an expansion. At this point, however, the bureaucracy became dependent on politicians, particularly those in the executive, to broaden those restraints. Consequently, the BMD program nominally aligns with the principal-agent model, albeit with some qualifications. More importantly, however, is the inability of the plan-rational model to adequately

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<sup>67</sup> Campbell, “Democracy,” 128.

explain the interactions between the defense bureaucracy and the political leadership. This is even more significant since the BMD program is an ideal test case in applying this theory to defense policy.

The second case study is the DPJ's failed attempt to relocate MCAS Futenma. This fiasco provides the first opportunity to examine the DPJ and how it intends to govern. This is particularly useful since the DPJ has promised to reform the government's policy-making processes and concentrate power in the executive at the expense of the backbenchers and bureaucracy. In fact, this case strongly indicates the political supremacy of the executive. Despite opposition from the bureaucracy, the new DPJ Cabinet was able to make Futenma an issue and force the Japanese government to attempt negotiations. Importantly, the DPJ's failure was due the refusal of the United States to negotiate and some poor political and management decisions within the Cabinet, and bureaucratic resistance was, at most, incidental. While definitive conclusions cannot be drawn yet, this case study provides further evidence that defense policy formation tends towards the principal-agent model.

A brief note about American political pressure is necessary before proceeding to the case studies. Japan's only military ally is the United States and Japan is clearly the junior partner in that relationship. Consequently, the United States plays a prominent role in each of the case studies. Certainly, American pressure influences Japanese policy-making, but this is likely true in other policy areas as well. Furthermore, this thesis focuses on the relationship between bureaucrats, politicians in the Diet, and politicians in the executive. In other words, even if American policies are a deciding factor in the ultimate outcome of a defense issue, that fact is immaterial to an analysis of the relationships between various groups within the Japanese government. Consequently, this thesis treats American pressure as simply another factor affecting how each of those groups makes its own decisions.

## **II. CASE STUDY: BALLISTIC MISSILE DEFENSE**

### **A. OVERVIEW**

Japan has cooperated with the United States on BMD for more than two decades. At first, this was limited to industry-to-industry contact but slowly and steadily the program expanded. Today, Japan has deployed its own BMD system and even gone so far as reinterpreting its long-standing ban on collective self-defense to allow better operational coordination with the United States. Remarkably, despite the tremendous financial cost and political changes that BMD required, interactions between the defense bureaucrats and politicians were remarkably without rancor.

Since the BMD program's inception, the executive, the Diet, and the bureaucracy have consistently followed the same basic pattern. The Diet would establish an implicit, if vague, upper limit and then the executive would secure authorization for a somewhat lower but tangible boundary. At this point, the management of the BMD program would shift to the bureaucracy where it was largely ignored by the political leadership until it reached the boundary established by the executive. The pattern would repeat once the Diet's implicit limit increased.

Importantly, this pattern of policy formation does not neatly align with either the plan-rational or principal-agent models. Aspects of both theories appear throughout the program and, at times, it becomes difficult, if not impossible, to distinguish which of the three parts of the policy formation triangle are pushing BMD ahead and which are being pulled along. This case study, however, provides a particularly useful test of the plan-rational model due to the similarities between the BMD program and the industrial policies that influenced Chalmers Johnson's work. Like many industrial policies, BMD is a highly technical program that has never sparked deep or impassioned public debate. According to Johnson, this is the natural purview of the bureaucrat. That the principal-agent model seems to be a better fit for BMD, albeit with significant caveats, indicates that the plan-rational framework may not be broadly applicable to defense policy.

This case study is divided into four main sections. The first two sections provide background information to help place the subsequent discussion in context. These sections briefly describe the technical aspects of the BMD system Japan is deploying and an overview of the major concerns expressed by elements within the Japanese government throughout the program's existence. The next section discusses the BMD program chronologically and describes how the Diet, executive, and bureaucracy interacted while formulating policy. The final section is a conclusion that highlights the overarching themes throughout the BMD program.

## **B. JAPAN'S BMD SYSTEMS – A TIERED DEFENSE**

In 2003, Japan announced plans to deploy a multi-layered missile defense system (see figure 2).<sup>68</sup> The first layer, or tier, called Aegis BMD, is a modification of the American Aegis air defense system.<sup>69</sup> Currently the Japan Maritime Self Defense Force (JMSDF) operates four Aegis equipped Kongo class guided missile destroyers and is upgrading each of them to fulfill the BMD mission.<sup>70</sup> If positioned correctly in relation to the attacking missile, two to three Aegis BMD-equipped ships can defend all of Japan, making it a theater wide defensive system.<sup>71</sup> The missile used by Aegis BMD, the SM-3, does not contain a traditional explosive warhead but instead destroys its target by colliding with it in a so-called hit-to-kill intercept. Aegis BMD intercepts are exoatmospheric, classifying it as an upper tier system.<sup>72</sup>

The second layer is the Patriot Advanced Capability-3 (PAC-3), a modification of the American Patriot surface-to-air missile system. Like the SM-3 it also uses hit-to-kill intercepts to destroy its target; however, it does this in the attacking missile's terminal

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<sup>68</sup> Office of the Prime Minister, *Statement by the Chief Cabinet Secretary*, December 19, 2003, [http://www.kantei.go.jp/foreign/tyokan/2003/1219danwa\\_e.html](http://www.kantei.go.jp/foreign/tyokan/2003/1219danwa_e.html) (accessed August 10, 2010).

<sup>69</sup> Ronald O'Rourke, *Navy Aegis Ballistic Missile Defense (BMD) Program: Background and Issues for Congress*, CRS Report (Congressional Research Office, 2010), 3.

<sup>70</sup> Missile Defense Agency, *Aegis Ballistic Missile Defense*, [http://www.mda.mil/system/aegis\\_foreign\\_mil\\_sales.html](http://www.mda.mil/system/aegis_foreign_mil_sales.html) (accessed August 28, 2010).

<sup>71</sup> Ministry of Defense, Japan, "Japan's BMD," *Japan Ministry of Defense*, September 2008, [http://www.mod.go.jp/e/d\\_policy/bmd/bmd2008.pdf](http://www.mod.go.jp/e/d_policy/bmd/bmd2008.pdf) (accessed August 20, 2010).

<sup>72</sup> O'Rourke, *Navy*, 4; Michael D. Swaine, Rachel M. Swanger and Takashi Kawakami, *RAND Monograph Report MD-1374: Japan and Ballistic Missile Defense* (Santa Monica, CA: RAND, 2001). 26.



phase.<sup>73</sup> Consequently, the PAC-3 is classified as a lower tier system and defends a much smaller geographic area like high value military concentrations or population centers. The PAC-3 system is intended to intercept missiles that penetrate the Aegis BMD shield.<sup>74</sup>

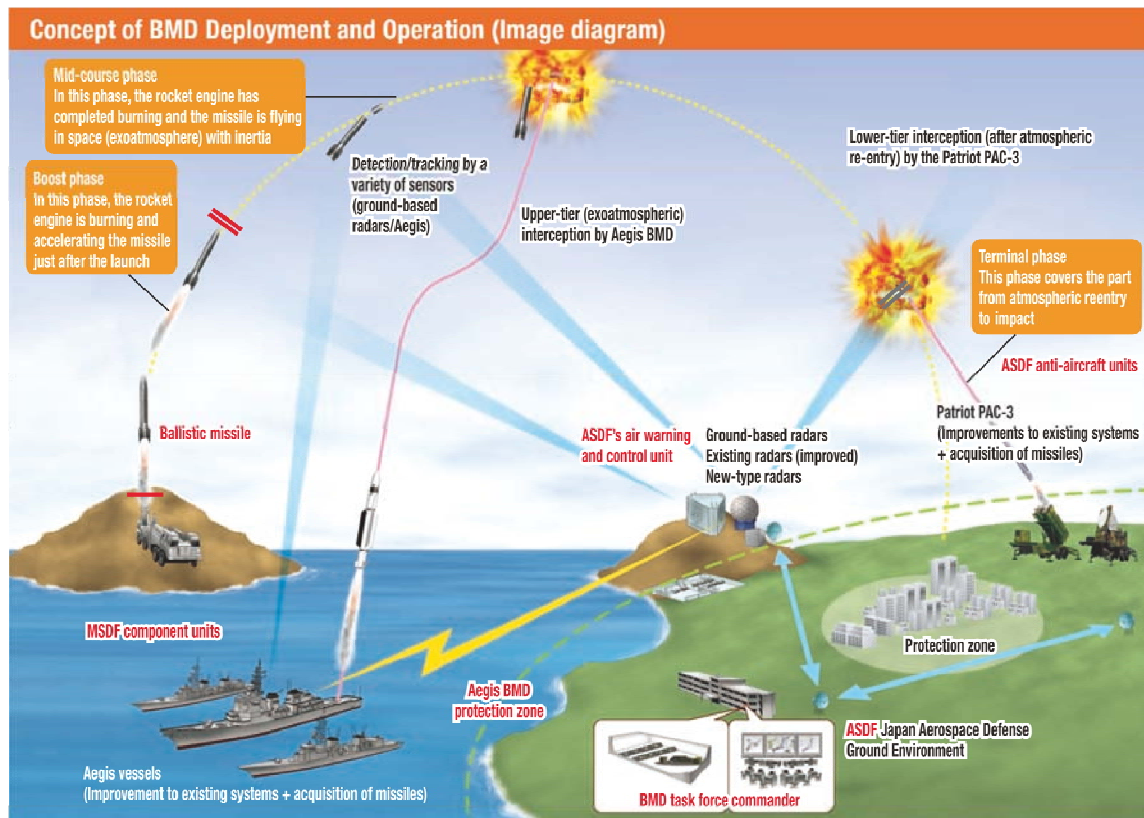


Figure 2. Japan's BMD Architecture<sup>75</sup>

Both of these systems require significant amounts of time-sensitive data because the detect-to-engage timeline is measured in minutes. Consequently, Japanese and American missile defenses rely on data supplied by the other nation to ensure the earliest

<sup>73</sup> Missile Defense Agency, *PATRIOT Advanced Capability-3 (PAC-3)*, [http://www.mda.mil/system/pac\\_3.html](http://www.mda.mil/system/pac_3.html) (accessed August 28, 2010).

<sup>74</sup> Christopher W. Hughes, *Japan's Re-emergence as a 'Normal' Military Power* (New York, New York: Oxford University Press, 2004). 110.

<sup>75</sup> Japan Ministry of Defense, *Japan Defense Focus No. 11*, October 2008, <http://www.mod.go.jp/e/jdf/no11/special.html> (accessed August 28, 2010).

possible launch detection. This mutual dependency is not balanced, however, since Japan lacks an equivalent to America's space based missile detection system.<sup>76</sup>

Finally, since ballistic missile defense programs have been reorganized and renamed several times since their inception in the 1980s a brief note on terminology is necessary. Theater Missile Defense (TMD) is the name adopted by the United States in the 1990s for programs designed to counter short to medium range missiles but not intercontinental range ballistic missiles (ICBM). TMD covers both the Aegis BMD and PAC-3 programs. National Missile Defense (NMD) should not be confused with TMD. The NMD program does not include Japan and is intended to intercept ICBMs targeting the United States itself. Importantly, while BMD is generally used in the United States as a generic term for all ballistic missile defense programs, in Japan it is synonymous with TMD.<sup>77</sup> Consequently, the term BMD will be used throughout this thesis according to the Japanese definition. Finally, in the interests of clarity, unless explicitly stated, the terms BMD, Aegis BMD, and PAC-3 will be used regardless of what terminology was in use at that specific time.

### **C. JAPANESE CONCERNS WITH BMD**

The purpose of this thesis is to examine the relationship between defense bureaucrats and politicians and not the technological feasibility of a certain system, the international relations impact of specific decisions, or the constitutionality of defense programs. The BMD policies formed by the defense bureaucrats and politicians, however, are rooted in these issues. Consequently, a brief description of the major debates surrounding BMD is essential for contextualizing the various positions taken by different actors within the Japanese government. Similarly, briefly describing each issue at the outset will preclude the need for an awkward aside later and allow for a more coherent analysis of the power relationships between the defense bureaucracy and the political leadership. Likewise, since all these issues have been exhaustively documented

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<sup>76</sup> Christopher W. Hughes, *Japan's Security Agenda: Military, Economic and Environmental Concerns* (Boulder, CO: Lynne Rienner Publishers, Inc., 2004). 183.

<sup>77</sup> Hughes, *Security Agenda*, 181–182.

elsewhere and are not the focus of this thesis, the merits of each argument will not be analyzed. The fact that they were significant issues within the policy formation processes internal to the Japanese government is sufficient justification for their inclusion here.

## **1. Technical Feasibility**

Just as in the United States, many Japanese critics of BMD argue that the system is simply technologically too difficult. Hit-to-kill intercept technology is often derisively described as trying to hit a bullet with a bullet, and the detect-to-engage timeline is so short that successfully shooting down a missile is extremely difficult. These critics often assert that many, if not all, the successful American BMD tests have been blatantly scripted.<sup>78</sup>

A closely related criticism is that developing and deploying a BMD system is simply too expensive. These critics are frequently divided into two groups. Some argue that not only is BMD expensive but it will never work well enough making it a total waste of money. Others argue that BMD may be technologically feasible but at far too high a cost and that the same money would contribute more to national security if spent elsewhere.<sup>79</sup>

The arguments against BMD based on the technological risks combined with the high cost were particularly salient within MOF.<sup>80</sup>

## **2. Constitutionality, Collective Self-Defense, and the Weaponization of Space**

The technological requirements of BMD raise constitutional issues. The extremely short detect-to-engage timeline dictates sharing detection and targeting information between the United States and Japan in real-time. This means that information provided by the Japanese could be used by the United States to intercept

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<sup>78</sup> Gordon R. Mitchell, "Japan-U.S. Missile Defense Collaboration: Rhetorically Delicious, Deceptively Dangerous," *The Fletcher Forum of World Affairs*, Winter 2001: 89–91.

<sup>79</sup> Swaine, Swanger and Kawakami, *RAND*, 66.

<sup>80</sup> *Ibid.*, 52.

ballistic missiles that are not targeting Japan or as part of unilateral American military operations. This directly challenges Japan's prohibition on collective self-defense.<sup>81</sup>

A related legal obstacle was the 1969 Diet resolution that prohibited the weaponization of space. Since BMD intercepts occur on the edge of the atmosphere many argued that this would be a violation. These concerns, combined with other military uses for space including intelligence and communications satellites, were resolved through subsequent reinterpretations of the 1969 resolution and finally the 2008 Basic Law on Space.<sup>82</sup>

### **3. Alliance Entrapment**

Many Japanese critics have voiced concern that Japan will be drawn into an American conflict because of BMD. This is mostly a function of Japan's dependence on the United States' missile warning systems, especially its missile detection satellites. Without access to this information, the already short BMD engagement timeline becomes almost unmanageable, providing the United States considerable leverage to coerce Japanese actions in a crisis.<sup>83</sup> Another aspect of entrapment is the fear that the US-Japan Alliance would be permanently weakened if Japanese concerns over violating the ban on collective self-defense prevented the JSDF from intercepting ballistic missiles that were attacking the United States or at least providing tracking data.<sup>84</sup> These concerns combine into a fear that Japan could be forced to take part in an American led war that it does not want to pursue.

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<sup>81</sup> Hughes, *Security Agenda*, 187–188.

<sup>82</sup> Sawako Maeda, *Transformation of Japanese Space Policy: From the "Peaceful Use of space" to "the Basic Law on Space"*, November 2, 2009, <http://www.japanfocus.org/-Maeda-Sawako/3243> (accessed August 6, 2010).

<sup>83</sup> Hughes, *Security Agenda*, 186–187.

<sup>84</sup> Umemoto Tetsuya, "Japan-U.S. Cooperation in Missile Defense," *Second U.S.-Japan Track II Meeting on Arms Control, Disarmament, Nonproliferation and Verification*, 2002, <http://cns.miiis.edu/archive/cns/programs/dc/track2/2nd/index.htm> (accessed August 6, 2010).

#### **4. Antagonizing Neighbors**

Some Japanese critics cite unnecessarily antagonizing neighbors as a primary concern. While supporters typically claim that BMD is purely defensive, critics argue that it will provide a shield that will embolden Japan to become more assertive internationally. Similarly, the creation of a defensive shield over Japan could prompt other Asian states, notably China, to become more aggressive and begin to expand their own militaries.<sup>85</sup> Not being party to a violation of the 1972 Anti-Ballistic Missile Treaty between the United States and Russia was a concern as well, however, the American withdrawal has caused this argument to fade.<sup>86</sup>

The fear of unnecessarily antagonizing China was of particular concern to MOFA but, importantly, the diplomats responsible for managing the alliance with the United States did not share it. The balance of power began to shift towards the pro-BMD diplomats following China's subdued reaction to Japan's 1999 decision to increase research and development efforts.<sup>87</sup>

#### **5. Japanese Industry**

Many critics, especially in the Ministry of Economy, Trade, and Industry (METI), cite a fear that Japan will transfer significant technology to the United States but will not receive reciprocal treatment.<sup>88</sup> This concern stems from Japan's painful experience in the 1980s and 1990s with the FS-X fighter program. Bowing to extensive American pressure, Japan agreed to jointly develop an improved F-16 fighter instead of developing an indigenous design. Shortly after forcing this program on Japan, however, the United States changed its policy based on domestic politics and became a reluctant partner. The

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<sup>85</sup> Swaine, Swanger and Kawakami, *RAND*, 79–80

<sup>86</sup> Richard P. Cronin, *Japan-U.S. Cooperation on Ballistic Missile Defense: Issues and Prospects* (Congressional Research Service, 2002). 16.

<sup>87</sup> Swaine, Swanger and Kawakami, *RAND*, 50–51.

<sup>88</sup> *Ibid.*, 78; METI replaced MITI in 2001.

end result, the F-2, was overpriced and severely delayed.<sup>89</sup> Despite the understandable caution, however, some portions of industry see possible business opportunities in BMD.<sup>90</sup>

## **D. EVOLUTION OF THE JAPANESE BMD PROGRAM**

### **1. 1986 to 1993: Political-Bureaucratic Consensus - Defer Decisions**

Japanese involvement with missile defense dates back to the Reagan administration, although for years it was marked by hesitation on both the political and bureaucratic fronts. Due to shared concerns over the impact BMD would have on Japan's international relations, inter-service concerns over budgetary tradeoffs, and significant legal and constitutional questions, neither the defense bureaucracy nor the political leadership were enthusiastic supporters.

Despite this general consensus to ignore American invitations to participate in BMD research and development, certain sectors of the Japanese government did not want to appear completely uninterested. The most tangible support came, in fact, from Prime Minister Yasuhiro Nakasone. For Nakasone, however, participating in President Reagan's Strategic Defense Initiative (SDI), as it was known then, had virtually nothing to do with national security policy. Instead, he saw it as an opportunity to help assuage American frustration during the trade disputes of the 1980s and to win the appearance domestically of being a hardliner against the Soviet Union.<sup>91</sup>

This did not translate into significant material support. In fact, the Japanese government effectively kicked SDI to private industry because of concerns over violating the 1969 resolution on the peaceful use of space and the appearance of assisting with a weapon system related to nuclear strategy.<sup>92</sup> The resulting four-year analysis called the

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<sup>89</sup> Cronin, *Japan*, 8–9.

<sup>90</sup> Swaine, Swanger and Kawakami, *RAND*, 60–61.

<sup>91</sup> Richard J. Samuels, *Securing Japan: Tokyo's Grand Strategy and the Future of East Asia* (Ithaca, New York: Cornell University Press, 2007), 90–91.

<sup>92</sup> Cronin, *Japan*, 9.

Western Pacific Basin Architecture Study was completed in 1993 and examined BMD system requirements throughout the region. Shortly after this study the Japanese government began to reassert its position in BMD policy through the formation of the Japanese-American TMD Working Group, staffed on the Japanese side with JDA personnel.<sup>93</sup> The increased government involvement was partly due to North Korea's No-dong missile test in 1994 that gave it a demonstrated capability to target Japan.<sup>94</sup>

The defense bureaucrats had their own reasons for forestalling participation in BMD research. On purely technical grounds, the JDA was concerned about the effectiveness of BMD. This was exacerbated by the likely exorbitant cost that would detract from higher priority acquisitions. Furthermore, JDA officials feared that pursuing a BMD system could be interpreted as a lack of faith in America's willingness to live up to its alliance obligations.<sup>95</sup> Consequently, the bureaucrats and politicians, for their own reasons, agreed to defer any substantive decisions on BMD.

Admittedly, the early years of Japan's participation in BMD research tell us little about the relative power of bureaucrats and politicians. The consensus to defer decisions, however, illustrates that there was a lack of complete agreement in either group and that few people felt strongly enough to force the issue. These fissures, while small at first, would allow the room for bureaucrats and politicians to maneuver against each other as various opinions became more firmly held. In fact, by the time the Japanese-American TMD Working Group had been formed in 1993 a core of JDA officials had decided pursuing BMD was in their interests. Furthermore, responding to North Korean provocations by increasing support for BMD established a pattern that would repeat throughout the program. The next section will describe how the JDA came to an internal consensus in support of BMD along with a few key politicians and how they used North Korean actions to further their agenda.

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<sup>93</sup> Taku Ishikawa, "Japan: Harmony by Accident?," *Contemporary Security Policy* 26, no. 3 (December 2005): 640.

<sup>94</sup> Daniel M. Kliman, *Japan's Security Strategy in the Post-9/11 World: Embracing a New Realpolitik* (Westport, CT: Praeger, 2006), 108.

<sup>95</sup> Swaine, Swanger and Kawakami, *RAND*, 46–47.

## **2. 1993 to August 1998: JDA Forms a Consensus**

During the mid-1990s Japan began conducting limited joint research and development on BMD but deferred decisions on significant deployment, legal, and constitutional questions. Concurrently, defense bureaucrats came to a consensus to pursue BMD but other bureaucracies, especially MOFA, MOF, and METI, remained skeptical. Politicians, for their part, established the political space in which the JDA could pursue BMD research but exerted power, both through action and inaction, to control the pace. The North Korean missile test over Japan in 1998, however, proved to be a catalyzing event that prompted disparate groups to coalesce in support of BMD.

### ***a. Inside the Japan Defense Agency***

Within the JDA, civilian bureaucrats had to entertain the conflicting views of the uniformed services. Predictably, the divisions split along interservice lines due to budgetary issues.

The most supportive service was the JMSDF. Since a significant portion of the BMD shield would likely be built around the Aegis system, the maritime services stood to gain significant funding. This might not only mean upgrades to the existing four Kongo class destroyers but possibly acquiring new Aegis warships and improved training.<sup>96</sup>

Likewise, the Japan Air Self Defense Force (JASDF) showed reasonably strong support. Unlike the United States where the Army operates the various versions of the Patriot missile, the Japanese have assigned that mission to the JASDF meaning it could expect to be responsible for PAC-3. Furthermore, the JASDF could use the addition of a BMD mission as justification for the costly command and control upgrades associated with the replacement of its aging air defense system. The largest reason the JASDF did not provide stronger support was concern that the expense of BMD would decrease its acquisition of new aircraft.<sup>97</sup>

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<sup>96</sup> Swaine, Swanger and Kawakami, *RAND*, 48–49.

<sup>97</sup> *Ibid.*, 48.



The most hesitant service was the Japan Ground Self Defense Force (JGSDF). This was the largest and most influential service but it had little to gain and quite a bit to lose if Japan chose to pursue BMD. The JGSDF, however, is unofficially seen as the senior service and its high-ranking officers, more so than the other services, are expected to make decisions based on national instead of parochial interests. Consequently, the ground services could potentially be persuaded to support BMD if a compelling strategic case could be made.<sup>98</sup>

In addition to the uniformed services, the defense bureaucrats were also split. Personnel whose careers were focused on operations were concerned that the expense of BMD would force cuts in more useful programs weakening Japan overall. Personnel who were responsible for research and development supported BMD but possessed limited influence. Finally, those personnel focused on managing the alliance with the United States saw BMD cooperation as a means to prove Japan's worth to its only military ally.<sup>99</sup>

These concerns aside, the civilian leadership within the JDA began to move towards a consensus that pursuing BMD was in the interests of Japan. These bureaucrats understood, however, that the high cost of BMD prevented MOF support, fear over China's reaction concerned MOFA, and memories of ineffective and costly industrial cooperation made METI cautious. Similarly, as described below Japanese politicians were split on BMD. Consequently, once the JDA had decided in the spring of 1998 to move ahead with BMD it still needed to proceed carefully in order to build an adequate consensus within the whole government. Importantly, the JDA's decision to pursue BMD was made *prior* to North Korea's missile launch over Japan, although that is not how it would be presented later to the Japanese public.<sup>100</sup>

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<sup>98</sup> Swaine, Swanger and Kawakami, *RAND*, 47–48.

<sup>99</sup> *Ibid.*, 45–46.

<sup>100</sup> Ishikawa, "Japan," 641.

*b. Political Leadership or the Lack Thereof*

Many Japanese politicians prefer to ignore defense issues in order to avoid undesired domestic or international controversy, but they still must manage the alliance with the United States. This results at times in politicians taking an active stance and creating policy and at others turning a blind eye.<sup>101</sup> Another option, that is frequently employed is to find a middle ground where they provide just enough support to relieve American pressure and assuage the more hawkish domestic elements while postponing contentious debate indefinitely.

The pattern of limited support combined with deferring controversial decisions is evident under the Hashimoto and Obuchi cabinets. This course is a rational outgrowth of the conflicting pressures both of those cabinets faced. On the one hand defense bureaucrats and the United States were pressing the Japanese government to proceed with joint BMD research and development. On the other hand MOF and METI bureaucrats advocated various levels of caution due to domestic concerns while some of their counterparts at MOFA worried about adversely impacting relations with China.

Given these conflicting demands it is not especially surprising that Prime Minister Ryutaro Hashimoto took a personal interest in BMD nor is it particularly remarkable that his successor Keizo Obuchi preferred to delegate. Both are rational political choices with one prime minister perhaps more interested in personally averting potential political damage and another choosing to insert some public distance. In both cases, however, the prime ministers chose similar policies supporting limited joint BMD research. Prime Minister Hashimoto's personal support was likely a key reason that the Diet voted to support a budget request from the JDA to conduct joint research with the United States. Prime Minister Obuchi, through his Chief Cabinet Secretary, Hiromu Nonaka, maintained this support and ensured continued funding.<sup>102</sup> Importantly, despite

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<sup>101</sup> Swaine, Swanger and Kawakami, *RAND*, 42–43.

<sup>102</sup> *Ibid.*, 43.

supporting joint research these policies did not commit Japan to deploying a system or make any attempt to solve the significant constitutional or legal hurdles associated with BMD.

Additionally, despite their actions, neither Hashimoto nor Obuchi ever appeared to base their support on anything more than satisfying short-term political interests. Their support placated those who wanted to pursue BMD and the United States but was never a firm enough commitment to evoke strong opposition from MOFA, MOF, METI, the public, or outspoken members of the Diet. Furthermore, occasional efforts by members of the Diet to draw attention to certain controversial aspects of the program failed to gain any political traction. In fact, both prime ministers, Obuchi in particular, were content to allow backbenchers within the LDP raise these issues provided no effort was made to actually resolve them. For example, LDP Diet Member and former JDA Director General, Fukushima Nukaga, issued a report that Japan would need to modify its laws preventing the weaponization of space if it committed to BMD.<sup>103</sup> While Nukaga was correct, these concerns were not resolved until the passage of the Basic Law on Space nine years later.<sup>104</sup> All told, both the Diet and the executive demonstrated a pronounced unwillingness to tackle potentially contentious issues surrounding BMD.

### **3. September 1998 to August 1999: Thank You Dear Leader**

In 1998, North Korea launched a ballistic missile over Japan and the political atmosphere changed overnight. Missile defense research and development, an issue that had largely been handled within the confines of government, suddenly entered the public discourse. This increased the influence of the JDA, which had already decided to pursue BMD before the North Korean missile test, especially since the relative strength of MOF, MOFA, and METI's critiques was now diminished. The political leadership largely split along ideological lines but the LDP and the major opposition parties were generally

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<sup>103</sup> Swaine, Swanger and Kawakami, *RAND*, 43–44.

<sup>104</sup> Maeda, *Transformation*.

supportive of some sort of missile defense, although the details of what each politician supported varied. Importantly, while media coverage was fairly extensive in quantity the debate itself was, at best, shallow in quality.

*a. The Diet*

The Diet, like the rest of Japan, was caught off guard by the North Korean missile launch. Consequently, while all members felt a response was required, as evidenced by the Diet's unanimously approved resolution denouncing North Korea, there was little consensus on what other steps the government should take. Furthermore, ballistic missile defense is a technologically complex program that few members fully understood, making meaningful debate difficult.<sup>105</sup>

Not surprisingly, the debate often was superficial and individual members' support largely followed party lines. The more conservative and ruling LDP was the strongest supporter of BMD. Many LDP politicians brushed aside the more complicated legal and international issues with the argument expressed by Diet member Katsuhito Asano that, "Protecting yourself against incoming missiles is the epitome of a purely defensive system." The DPJ was internally divided between former socialists and former LPD members, and could not take any substantive position. The Communist Party and Social Democrats voiced some opposition and agreed with the elements in MOFA that believed BMD could unnecessarily antagonize Japan's neighbors. Komeito, for its part, was cautious about proceeding with BMD asked for more information, which raised the visibility of several significant obstacles.<sup>106</sup>

Importantly, while the Diet could not arrive at a consensus on BMD and no party fully endorsed the program, the fact that some parties had expressed reserved support changed the implicit political boundaries. Consequently, the executive and bureaucracy still had to be concerned about inciting a political backlash if they pushed BMD too far, but that tacit limit was now higher. This meant that the Diet did not block

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<sup>105</sup> Swaine, Swanger and Kawakami, *RAND*, 53–54, 56.

<sup>106</sup> *Ibid.*, 53–54, 58.

the prime minister's decision to sign a Memorandum of Understanding (MOU) with the United States, committing Japan to participate in further research and development.

***b. The Prime Minister***

The North Korean missile test occurred just two months into Prime Minister Keizo Obuchi's term. While he was a supporter of BMD he was typically preferred to have his Chief Cabinet Secretary take the lead on garnering support within the Diet.<sup>107</sup> Given that the defense bureaucracy had already laid the administrative groundwork, the LDP generally supported it, and the opposition parties that opposed it were small, this low level of prime ministerial involvement was still sufficient to gain increased funding for further BMD cooperation with the United States. This lack of leadership and unwillingness to instigate a political fight, however, can be seen in the MOU signed in 1999.

***c. Memorandum of Understanding – August 1999***

In August of 1999, the Obuchi administration signed an MOU with the United States. Under this agreement, Japan agreed to share technology and developmental costs relating to the Aegis BMD system through the newly formed Japan-U.S. Joint Technological Research Project. Over the five-year period covered by the MOU Japan would be responsible for upgrades to the seeker, warhead, propulsion and nose cone of the existing interceptor missile.<sup>108</sup>

Importantly, this agreement only covered research and development costs and did not commit Japan to deployment. This conveniently allowed the Prime Minister and the JDA to defer criticism from the public and the Diet by acknowledging that while there were constitutional, legal, budgetary, technical, and international issues, it was premature to worry about any of them since no decision had yet been made about actually

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<sup>107</sup> Swaine, Swanger and Kawakami, *RAND*, 43–44.

<sup>108</sup> Cronin, *Japan*, 10; Mark Hewish, Raising the ballistic shield, September 1, 2000, <http://www4.janes.com/subscribe> (accessed August 18, 2010).

acquiring a system.<sup>109</sup> Consequently, this followed the pattern established over the previous decade to slowly expand the BMD program but to defer the substantive decisions as long as possible.

#### **4. September 1999 to December 2003: Thank You Again, Dear Leader!**

After Japan signed the MOU with the United States, BMD largely retreated from public sight again until 2002. Despite the lack of a public discussion, however, work had not stopped. In fact, the lack of public attention and the highly technical nature of ballistic missile defense combined to allow the bureaucrats to reassume a larger leadership role. By 2003, however, two significant developments had occurred that reignited the BMD debate. Most shocking to the Japanese was the series of events in North Korea that resulted in that state withdrawing from the Nuclear Non-Proliferation Treaty, detonating a nuclear device, and conducting further ballistic missile tests. Second, due to domestic political demands the political leadership quietly backed away from its tacit belief that BMD must provide a virtually perfect screen in order to be considered technologically feasible. Combined, these factors played a key role in the Japanese government's decision to deploy a BMD capability.

##### ***a. The JDA***

As the JDA became increasingly involved in managing the technical aspects of BMD, its internal consensus to pursue the program strengthened. While the JDA had already decided to pursue BMD research and development several years earlier the interservice and internal bureaucratic divides had still not been fully resolved. A number of factors combined, however, to bring the dissenters around to the majority opinion. First, in the aftermath of the North Korean nuclear and missile tests, the Japanese public expressed a strong desire for some sort of defense. This desire resonated strongly with the JDA and further solidified its desire to deploy a BMD system. Perhaps more important was a reorganization within the uniformed services that included reprioritizing missions. Combined with this was a decision to purchase a more or less

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<sup>109</sup> Cronin, *Japan*, 10; Swaine, Swanger and Kawakami, *RAND*, 56.

off-the-shelf BMD system, which would be significantly less expensive than creating a new one. These various factors shifted the JDA's position on funding. Through 2002 the JDA had argued that BMD should be funded as a special item outside of the unofficial one percent of GDP cap on defense spending. By mid-200, the JDA had changed course and agreed that BMD was of such a high priority that it would cut back on modernization of its other forces in to fund deployment.<sup>110</sup>

***b. The Prime Minister***

The trend of decreasing prime ministerial involvement would continue even in the face of North Korean provocations and increased public concern. In fact, the only two prime ministers who had taken a personal interest in BMD thus far were Nakasone, who essentially punted it to industry, and Hashimoto, who was influential in getting funding and initiating governmental cooperation with the United States. Prime Minister Obuchi, however, began the trend of Prime Ministerial non-involvement. While it is true that Japan had signed the 1999 MOU with the United States under his watch it was clear that BMD had largely been delegated to his Chief Cabinet Secretary. The nadir of Prime Ministerial involvement was Yoshiro Mori, who was "lacking both the political base and necessary stature with regard to foreign and defense policy" to exert any real leadership.<sup>111</sup> In fact, what may be most notable about Mori's tenure was the lack of virtually any leadership resulting in the JDA becoming the sole manager of BMD.<sup>112</sup>

The relative balance between Prime Minister Junichiro Koizumi and the JDA would largely follow this pattern. Most notably, when Koizumi publicly told President George W. Bush that Japan would deploy a ballistic missile defense system he was not announcing new policy but rather publicly stating the decision the JDA had made months before.<sup>113</sup> The reasons for Koizumi's lack of involvement in BMD are not known for certain but are worthy of a brief discussion.

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<sup>110</sup> Kliman, *Japan's*, 104–105.

<sup>111</sup> Swaine, Swanger and Kawakami, *RAND*, 44.

<sup>112</sup> Kliman, *Japan's*, 109.

<sup>113</sup> *Ibid.*; 109.

Koizumi had a number of plausible reasons for making BMD a low priority. To be sure, he could have treated it like postal service reform, energizing a rather indifferent public, and making it a signature issue, but that would have consumed significant political effort. Given that Koizumi was largely perceived to not have strong personal preferences about BMD, especially compared to other policy areas, it is not surprising that he focused his efforts elsewhere. Furthermore, BMD was not a preeminent issue in the US-Japan alliance during Koizumi's tenure. The United States was far more concerned with gaining direct Japanese assistance in Iraq and Afghanistan. Koizumi's efforts to support both of these conflicts were already redefining Japan's national security policies and were extremely controversial.<sup>114</sup> BMD could easily increase Koizumi's domestic political costs should his opponents decide to highlight any of the unresolved questions about the program like its constitutionality, cost, or regional impact. At the same time, implementing a BMD program would not have made a significant difference in the relationship with the United States. Consequently, BMD was a program that had significant potential costs and few potential gains. Given these incentives, it is reasonable that Koizumi chose to follow whatever path was politically expedient.

While Koizumi may have lacked personal interest in BMD, however, the same cannot be said about his defense chief. In fact, JDA Director General Shigeru Ishiba is the only person in the Cabinet who exerted any leadership on BMD.<sup>115</sup> Ishiba had long been an advocate of strengthening Japan's defenses and felt that most of the constitutional and legal concerns regarding BMD could be solved.<sup>116</sup> He also played an important role in testing the political sensitivity of BMD. While making ostensibly personal comments Ishiba strongly argued that Japan should deploy a BMD system. Officially rebuked for these statements, Ishiba had, in fact, made them with the full

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<sup>114</sup> Kliman, *Japan's*, 108–110.

<sup>115</sup> *Ibid.*, 109.

<sup>116</sup> Adam P. Liff, *Profile: Shigeru Ishiba, minister of defense*, March-April 2008, [http://findarticles.com/p/articles/mi\\_m0NTN/is\\_76/ai\\_n25151467/](http://findarticles.com/p/articles/mi_m0NTN/is_76/ai_n25151467/) (accessed September 8, 2010); Kliman, *Japan's*, 110.



concurrence of the cabinet and Prime Minister Koizumi. When the comments did not invite condemnation from the public or the Diet, Koizumi knew that he could safely pursue deployment of a BMD system.<sup>117</sup>

Finally, changing perceptions on the technical feasibility of the system and the required effectiveness converged to make BMD more acceptable. Prior to 2003 Japanese politicians had held an unrealistic expectation that a BMD system must be capable of stopping every single missile. Since no system is 100 percent effective this demand could never be met. With the emergence of a potentially operational nuclear force in North Korea, however, any ability to intercept incoming ballistic missiles began to appear preferential to no ability. This changing perception was bolstered by recent successful BMD tests. Prior to late 2002, the BMD testing program had been plagued with several high profile failures and strong criticism that those tests that had succeeded only did so because they were highly scripted and unrealistic. By late 2002, however, Aegis BMD had conducted two successful tests, albeit with lingering concerns over their realism, with only one additional failure. Given the anxiety induced by the North Korean nuclear tests even this rather low success rate was politically acceptable.<sup>118</sup> The convergence of these two changing perceptions influenced the Cabinet's decision to deploy BMD.

In 2003, then Chief Cabinet Secretary and soon-to-be Prime Minister Yasuo Fukuda announced the government's decision to deploy both the upper tier Aegis BMD and lower tier PAC-3 systems.<sup>119</sup> His announcement addressed some of the criticisms of the program but ignored others. It did attempt to ameliorate technical concerns by noting "that rapid progress of the relevant technologies of BMD has recently been made and that technological feasibility of BMD systems is high" and that it "has been verified through the results of interception tests and various performance evaluations." Likewise, Fukuda's statement attempted to deflect criticism that a BMD system would exacerbate tensions with Japan's neighbors by stating that it was "purely

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<sup>117</sup> Kliman, *Japan's*, 98.

<sup>118</sup> Ibid., 103–104.

<sup>119</sup> Office of the Prime Minister, *Statement by the Chief Cabinet Secretary*, December 19, 2003.

defensive” and “meets the principle of exclusively defense-oriented national defense policy.” He added that “it is considered that this presents no threat to neighboring countries, and does not affect the regional stability.”<sup>120</sup>

However, just as the government tried to overcome a handful of criticisms of BMD in its deployment announcement it continued to defer others. The first major issue was the prohibition on collective self-defense. Fukuda stated that BMD “aims at defending Japan” and “will be operated based on Japan’s independent judgment, and will not be used for the purpose of defending third countries.” He further clarified this by saying Japan would intercept missiles “based on information on the target acquired by Japan’s own sensors.” The technical aspects of this, as previously discussed, were not this clear and the effectiveness of Japanese BMD would be largely dependent on data provided by American systems. Furthermore, Fukuda refused to make any comment on concerns related of the 1969 resolution on the peaceful use of space, saying that defending Japan generally fell under the Defense Operations Order in Armed Attack Situation and the specific issues surrounding BMD would be covered in later “specific studies.”<sup>121</sup> Consequently, Fukuda’s statement deferred large and controversial aspects of BMD for later administrations to solve, but by deploying the system, the program gained even further policy momentum, making it harder to stop in later years.

### *c. The Diet*

The Diet, as it had before, continued to play a largely passive role. Just as the public’s concerns over North Korea helped solidify the pro-BMD position of the JDA it also prompted the formation of a consensus in the Diet between the two largest parties, no doubt after they realized that opposition could have negative consequences at the polls. Whereas the LDP had previously been relatively supportive of BMD it now became a strong advocate and became less concerned with cost, feasibility, or the impact on Chinese relations. The most dramatic change, prompted by a desire to look like a party that could be entrusted with the nation’s defense, was the DPJ’s decision to support

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<sup>120</sup> Office of the Prime Minister, *Statement by the Chief Cabinet Secretary*, December 19, 2003.

<sup>121</sup> *Ibid.*

BMD. This left only the most left leaning groups in opposition. Importantly, neither the LDP nor the DPJ attempted any significant modifications to the recommendations from the executive and the JDA, choosing instead to ignore the still unresolved issues surrounding BMD.<sup>122</sup>

*d. Public Opinion and Debate*

While public opinion and policy debates are not directly related to the question posed by this thesis, they strongly affected the Diet, executive, and JDA and, consequently, should be briefly explained. Two key characteristics stand out. First, following the 1998 North Korean ballistic missile tests the public began to grow increasingly concerned about security, which only grew following Pyongyang's successful nuclear test in 2002. One poll, in March 2003, showed that "a 60.7 percent majority strongly felt insecure about Pyongyang's missile launch and nuclear development, and 31.1 percent felt insecure to some extent."<sup>123</sup> As described above, this strong sense of insecurity would prove to be a strong motivator for the JDA and the Diet.

Despite this deep anxiety about North Korea, there was almost no substantive public debate on BMD policies. While there were numerous articles about what constituted BMD and plenty of editorials declaring this was a topic worthy of a national debate, coverage largely remained superficial. Much of the reason for this, no doubt, was due to the highly technical nature of BMD, which made it hard for the general public to acquire sufficient expertise to fuel a debate.<sup>124</sup>

The quality of the public debate was further hurt when the term BMD became virtually synonymous with Aegis BMD and the PAC-3 program was all but forgotten. By focusing on Aegis BMD, which even in 2003 was several years from operational deployment, the government could claim that the important legal and constitutional questions surrounding missile defense could be deferred. This ignored the

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<sup>122</sup> Kliman, *Japan's*, 104–107.

<sup>123</sup> Ishikawa, "Japan," 652.

<sup>124</sup> *Ibid.*, 639, 642.

fact that the PAC-3 system that Japan had also decided to deploy already existed.<sup>125</sup> Consequently, whether the politicians and public were unclear or willfully ignoring this fact, they had essentially made a de facto decision to acquire a system of questionable legality.

## **5. January 2004 to Present: Legal Clarification and Accelerated Deployment**

Significant legal and constitutional issues remained even after the 2003 deployment decision. Furthermore, these issues had to be resolved rapidly since PAC-3 was an existing system that just needed to be purchased. Consequently, the Cabinet moved quickly, making the most important legal clarification in early 2004. Later attempts at more comprehensive legal revisions, with the exception of the 2008 Basic Law on Space, were unsuccessful.<sup>126</sup>

Interestingly, during this period, the executive appears to have played the most active role with the Diet largely remaining inert. Some of the legal changes were certainly required by the bureaucracy in order to deploy a functional system, but this could not have occurred without the actions of the executive.

### ***a. Subtle Reinterpretation of Collective Self-Defense***

Due to the fearful political climate incited by the North Korean missile and nuclear tests, Koizumi's cabinet was able to implement a subtle yet vital reinterpretation of collective self-defense with hardly any political opposition. In January 2004, the Cabinet Legislation Bureau (CLB) issued a decision regarding BMD that essentially stated that intent was the predominant factor in the legality of sharing information or intercepting missiles. Under this ruling, the government of Japan acknowledged that its sensor data would be part of the American missile shield but held

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<sup>125</sup> Ishikawa, "Japan," 641–642.

<sup>126</sup> The 2008 Basic Law on Space did clarify the use of outer space for military purposes including BMD. Much, if not most of the momentum behind the bill, however, was a result of American and Japanese industrial pressure. Consequently, detailed debate about this law would be distracting to the purpose of this thesis. Further information can be found in the previously cited article by Sawako Maeda.

that this was legal since the information was being provided only to bolster Japan's defenses and not to support American military interventions. This ruling also stated that Japan could intercept a missile if it had "a significant probability of hitting Japan," which was perceived protect the JSDF if it was guilty of "inadvertently protecting the U.S. homeland from missile attack."<sup>127</sup> This statement, most likely deliberately, stopped short on authorizing collective self-defense, but it significantly undermined previous definitions of it.

Notably, this decision met with little opposition from the Diet. Some members of the left raised objections but their inability to gain any traction demonstrates that the overwhelming majority in the Diet passively supported the reinterpretation.<sup>128</sup> Consequently, it appears likely that the Cabinet led the change to reinterpret collective self-defense with the JDA's support and the Diet's acquiescence. Incidentally, the CLB's cooperation may have been influenced by its public defeat in a previous struggle with Prime Minister Koizumi. During the legislative maneuvering that resulted in the Anti-Terrorism Special Measures Law, Koizumi was "lectured" by the head of the CLB. Koizumi "openly confronted the director general, who never lectured him again."<sup>129</sup> Whether or not that informally subordinated the CLB to the Prime Minister is a question that deserves more comprehensive investigation.

***b. Abe's Failed Attempt to Permit Collective Self-Defense***

In the summer of 2006, Shinzo Abe succeeded Koizumi as Prime Minister. Abe was well known for his nationalistic views and support for BMD.<sup>130</sup> Consequently, it should not be a surprise that his Cabinet led an effort to overturn the ban on collective self-defense. This, of course, would be a monumental change in Japanese defense policy and unlike the subtle reinterpretation described above was guaranteed to

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<sup>127</sup> Kliman, *Japan's*, 106–107.

<sup>128</sup> Ibid., 106–107.

<sup>129</sup> Samuels, *Securing*, 95

<sup>130</sup> Masako Toki, *Under Fukuda, Japan Accelerates Ballistic Missile Defense Cooperation with the United States*, February 2008, [http://www.wmdinsights.com/122/122\\_EA5\\_JapanAcceleratesBMD.htm](http://www.wmdinsights.com/122/122_EA5_JapanAcceleratesBMD.htm) (accessed August 6, 2010).

be politically difficult. In order to lay the legal and political groundwork, Abe established the Council on Reconstruction of a Legal Basis for Security to study several constitutionally related defense issues including collective self-defense. While Abe lead the 13-member council, he incorporated retired MOFA and MOD bureaucrats who could represent their ministries. One of the four specific scenarios this Council was to study was whether Japan could use its BMD system to defend the United States itself.<sup>131</sup> Resolving this issue assumed increasing importance since the upgraded version of the SM-3 missile being developed for Aegis BMD would have significantly longer range, making it much more likely that JMSDF destroyers would be in a position to intercept missiles attacking America.<sup>132</sup>

Domestic political concerns, largely independent of BMD, prematurely ended efforts to overturn the ban collective self-defense. Following the LDP's disastrous election loss in the Diet's upper house, Prime Minister Abe resigned. While his replacement, Yasuo Fukuda, was a supporter of BMD, he did not share Abe's eagerness for tackling the legal and constitutional quagmire of Article 9 and collective self-defense. Consequently, he allowed the Council to file its final report but never took any action.<sup>133</sup> As a result, after a brief period of leadership on BMD the Prime Minister's office once again returned to passivity. Importantly, however, the program had moved forward to a point where significant political support was no longer needed. The political leadership had provided sufficient room for the bureaucrats to implement the program requiring little more than approval of the annual budget through the standard political-bureaucratic processes. Absent a concerted effort by politicians to terminate or transform the BMD program it could easily continue through operational deployment within its current political confines.

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<sup>131</sup> Masako Toki and Sarah Diehl, *Japan Takes Steps to Integrate with U.S. Ballistic Missile Defense*, July/August 2007, [http://www.wmdinsights.com/I17/I17\\_EA3\\_JapanTakesSteps.htm](http://www.wmdinsights.com/I17/I17_EA3_JapanTakesSteps.htm) (accessed August 6, 2010).

<sup>132</sup> Toki, *Under Fukuda*.

<sup>133</sup> Masako Toki, *Missile Defense in Japan*, January 16, 2009, <http://www.thebulletin.org/web-edition/features/missile-defense-japan> (accessed September 10, 2010).

*c. The Rise of the DPJ*

Given the significant impact the rise of the DPJ has had on domestic politics and on other defense issues, namely Futenma, a brief word on its relationship with BMD is required. Most notably, the DPJ appears to have chosen not to make BMD a political issue. Furthermore, its senior leadership, including the now displaced Yukio Hatoyama and Ichiro Ozawa and current Prime Minister Naoto Kan, has supported BMD to varying degrees.<sup>134</sup> In fact, the DPJ used support of BMD during the mid-2000s to demonstrate that it was a responsible party and ready for national leadership. Consequently, the likelihood of the DPJ trying to cancel or scale back BMD is low since doing so would make it look indecisive and hypocritical, both charges it is trying to defend against in the wake of the Futenma fiasco.

Likewise, the DPJ has few incentives to expand the program. Previous governments have either resolved or chosen to ignore all the major issues surrounding BMD with the exception of explicitly overturning the prohibition on collective self-defense. The likelihood that the DPJ would challenge this ban seems remote given its weakened political position and the volatility of the issue. Consequently, the DPJ's position appears analogous to Prime Minister Koizumi's. Barring an exogenous shock, furthering the BMD program incurs a reasonable amount of political risk with little political gain. Similarly, decreasing the program is politically hazardous. Continuing with the previous government's policies, however, will likely avoid political controversy. Consequently, despite the DPJ's antipathy towards the LDP, BMD is one policy area where it will likely maintain the status quo.

**E. CONCLUSION**

Throughout the entire program, BMD has followed a remarkably consistent pattern between the Diet, the executive, and the bureaucracy. This pattern has been generally consistent with the principal-agent model, demonstrated limited elements of the

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<sup>134</sup> Swaine, Swanger and Kawakami, *RAND*, 59; Cronin, *Japan*, 18; Kliman, *Japan's*, 106.

plan-rational model, and highlighted shortcomings in both. Furthermore, it indicates that foreign influences may have a far greater impact on defense policy formation than on the industrial and economic sectors.

First, despite its apparent passivity, the Diet imposed implicit constraints on BMD. Since the program's inception, the Diet has never blocked any major expansion or denied funding to any significant degree. Looking at this fact in isolation gives the false appearance that the Diet has not influenced the BMD program. Importantly, however, every proposal that the executive and bureaucracy have made to the Diet has been carefully designed to not exceed perceived levels of legislative support. Not coincidentally, the executive and bureaucracy pushed for major expansions to the BMD program only after exogenous shocks created an amenable political climate.

The bureaucracy and the executive settled into a cyclical pattern of alternating leadership. In this cycle, the executive would expand the boundaries of the BMD program, within the implicit confines imposed by the Diet, and then turn it over to the defense bureaucracy. The defense bureaucracy would then manage the program until it hit those limits, at which point it became dependent on the executive to secure another expansion from the Diet. Fundamentally, the Diet established an implicit and somewhat nebulous upper boundary. The executive would then establish an explicit limit somewhat below that. Then the bureaucrats would take over and expand the program to the hard limit imposed by the executive. Once the implicit boundary set by the Diet expanded, the executive was free to raise the explicit limit, and the cycle would repeat.

Certain aspects of this pattern fit into the principal-agent and plan-rational models. Supporting the principal-agent model is the bureaucracy's inability to advance BMD without active participation from the executive and acquiescence from the Diet. Even when the bureaucracy had decided to pursue BMD before the political leadership, it still had to wait for the political leaders to grant legal authorization and funding. Consequently, the limits established by the executive and Diet served as inherent veto points. In essence, they turned over limited leadership to the bureaucracy but required



periodic reassessments. At any of these reassessments, the executive could have simply taken no action and BMD would have foundered or the Diet could have refused to grant additional leeway or funding.

Despite the apparent dominance of the political leadership, some aspects of the BMD program are more in line with the plan-rational model. Like industrial policy, BMD is a complex program that is difficult to understand. Consequently, gaining a strong background in the technical, legal, and international issues surrounding BMD requires extensive studying that few people are willing to undertake. Not only did this contribute to the shallow nature of the debates surrounding BMD, but it created an opening for the bureaucracy to shape policy. Since few politicians are defense policy experts in general and even fewer are BMD specialists, their ability to influence policy details is limited. In effect, the JDA/MOD can tell the political leadership what the next step in BMD should be and then it becomes a yes or no vote. Any efforts by politicians to choose some other point on the policy continuum can be easily thwarted through the presentation of technical and generally incomprehensible data. By presenting these choices at times when the Diet's hands were tied by popular opinion, the bureaucracy could profoundly shape how the BMD program unfolded.

This interpretation, however, comes with an important caveat. Just as the Diet had little choice but to support the bureaucracy's proposals at these times, the bureaucrats were similarly constrained to advancing BMD only when public opinion was suitable. Essentially, the bureaucracy had to wait for international crises to produce an amenable domestic political atmosphere. Consequently, bureaucrats were influencing how the BMD program grew but not when. This may be better described as plan-rational light since the bureaucracy's inability to control the pace and have the political leadership rubberstamp its proposals falls short of the ideal version of this theory.

While both of these models explain aspects of the BMD program, they have little utility in others. First, neither of these models adequately explains the relationship between the Diet and the executive. Throughout the majority of the BMD program, the executive appeared hesitant to exceed what it perceived to be implicit limits set by the Diet. Independently, this would indicate that the Diet held more power than the

executive, but other factors cast doubt on this. First, the executive never made a sustained effort to expand the BMD program beyond what it thought the Diet would accept. Consequently, neither the Diet nor the executive ever explicitly challenged the other regarding BMD policy so determining which would have prevailed is nothing more than speculation. Second, concurrent with the decision to deploy BMD, the Koizumi Cabinet had also successfully pursued the Anti-Terrorism and Iraq Special Measures Laws. Unlike BMD, however, these policies were clearly driven from the executive in a “top down” process.<sup>135</sup> This indicates the 2001 governmental reforms did indeed strengthen the Cabinet and that Koizumi simply decided that BMD was not an issue he wanted to forcefully pursue.

A further limitation of both policy formation theories is their inability to adequately explain the influence of external actors. Without a doubt, North Korea’s missile and nuclear tests were essential to furthering Japanese participation in BMD. Indeed, the major expansions in the BMD program followed North Korean provocations in 1994, 1998, and 2002. In fact, it would not be far off the mark to say the most important person in Japanese BMD policy is Kim Jong Il. His government’s actions created a panicked public sentiment that called for something to be done. What that something was, however, was never well defined. Since BMD satisfied this need it became an easy program for politicians to support to prove to their constituents that they were taking action to protect the nation. Indeed, the largest divergence from theories derived through economic and industrial policies may be the increased influence of foreign actions.

In conclusion, power appears to be divided between the executive, Diet, and bureaucracy with each of the three filling a specific role. Of these three, the bureaucracy is the weakest since it was dependent upon the political leadership to advance the BMD program. The power relationship between the Diet and executive cannot be definitively determined from the information in this case study, but importantly, both seemed to base their support for BMD more heavily on public opinion than bureaucratic pressure. Consequently, the principal-agent model appears to have general utility when explaining

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<sup>135</sup> Shinoda, *Koizumi*, 87, 113–116.

the relationship between bureaucrats and politicians, although it is not useful in explaining the interactions between politicians. The plan-rational model, however, only explains limited aspects of these relationships and demands even more extensive caveats. This is especially significant since BMD is, in many ways, the ideal test case for this theory and its limited utility here casts doubt on how applicable it will be to cases that do not share so many characteristics with industrial and economic policy.

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### **III. CASE STUDY: MARINE CORPS AIR STATION FUTENMA**

#### **A. OVERVIEW AND RATIONALE**

Few defense policies in Japan are as politically volatile as American basing on Okinawa. This single issue combines complex domestic politics with some of the most tangible costs of the US-Japan alliance. Of all the base problems, however, the relocation of Marine Corps Air Station (MCAS) Futenma is the most controversial, even becoming one of the major causes for the resignation of Yukio Hatoyama, the first DPJ Prime Minister.

Because of this volatility and the disastrous impact it had on the first DPJ Cabinet, Futenma provides a useful case study on defense policy formation. First, it provides an example of how defense policy is made when it is on a high-profile and extremely contentious topic. Second, and more importantly, it provides the most significant case study to date for how the new DPJ government has handled defense policy formation. Given the painful outcome, it is likely that the DPJ will change its processes; indeed, it has already done so to a degree, but major elements will likely remain. Consequently, while the relocation of Futenma has been an ongoing issue for years, this case study will focus on the recent events since the DPJ's assumption of power. This will be especially useful since the DPJ does not play a prominent role in the other case study in this thesis.

This case study is divided into three subsequent sections. The first section provides background information explaining why Futenma is so politically incendiary and then summarizes the key decisions and agreements that occurred before the DPJ assumed power in late 2009. The second section describes the DPJ's actions regarding Futenma since its electoral victory. This includes the party's attempts to centralize policy-making authority in the cabinet at the expense of the bureaucracy and backbenchers and how these reforms affected the executive's handling of Futenma. This section ends with a description of the changes to the DPJ's policy formation processes since the resignation of Prime Minister Hatoyama. The concluding section assesses the applicability of policy formation theories to the Futenma case study. This section will

demonstrate that the plan-rational model has little utility in explaining defense policy formation under the DPJ. Similarly, while the DPJ may be moving to a form of the principal-agent model, its mismanagement of Futenma undercuts one of the basic tenets of that theory, making any conclusions speculative.<sup>136</sup>

## **B. BACKGROUND**

### **1. Okinawa Basing and MCAS Futenma**

Okinawa, the largest island in the Ryukyu island chain, is less than one percent of Japan's total landmass yet it hosts the bulk of United States Forces Japan (USFJ). This includes naval port facilities at White Beach, the enormous Kadena Air Base, and numerous Army and Marine Corps posts. All told, three-quarters of the American bases in Japan are located in Okinawa, occupying over one-fifth of the island's land area. Additionally, two-thirds of the personnel assigned to USFJ call Okinawa home. Furthermore, the US forces are often difficult neighbors, conducting innumerable operations that are disruptive to the local-population from simply operating loud military aircraft to live-fire exercises.<sup>137</sup>

For many Okinawans, Futenma is not only considered the most obtrusive base but also an unacceptable danger to the civilian population. Surrounded by the city of Ginowan, even routine aircraft operations cause extensive noise disruptions to the 91,000 inhabitants and a crash could easily kill or injure civilians.<sup>138</sup> In fact, in 2004, a Marine Corps CH-53D Sea Stallion, a heavy lift helicopter, crashed into a building at the

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<sup>136</sup> A note on sources is necessary for this case study. The DPJ's electoral victory and subsequent policies relating to Futenma are contemporary issues so there has not been enough time for articles to appear in academic journals and other traditional sources. As a result, this case study relies heavily on news reports and blog posts. While blogs have certain limitations, the ones cited in this case study were written by respected authors, some of whom have published in traditional academic media.

<sup>137</sup> Masamichi S. Inoue, *Okinawa and the U.S. Military* (New York, NY: Columbia University Press, 2007). 1-2; Masamichi Sebastian Inoue, John Purves and Mark Selden, "Okinawa Citizens, US Bases, and the Security of Asia," *Economic and Political Weekly*, February 7–13, 1998: 264. JSTOR (<http://www.jstor.org/stable/4406373>).

<sup>138</sup> Kensei Yoshida, "Okinawa and Guam: In the Shadow of U.S. and Japanese "Global Defense Posture," *The Asia-Pacific Journal: Japan Focus*, June 28, 2010, <http://www.japanfocus.org/-Yoshida-Kensei/3378> (accessed July 31, 2010).

Okinawa International University, only 300 meters from Futenma. Fortunately, there were no fatalities and no one on the ground was injured but initial American refusals to allow the local police to inspect the crash site understandably angered Okinawans.<sup>139</sup> The 1<sup>st</sup> Marine Aircraft Wing, a component of the III Marine Expeditionary Force (III MEF), is based at Futenma.<sup>140</sup>

Complicating these problems are convoluted relationships between the United States government and military, the central Japanese government, the Okinawan prefectural and local governments, and the general population. These policies and relationships are described at length in Kent Calder's *Embattled Garrisons*. In brief, however, the Japanese central government pays a significant amount of money in host nation support to defray the costs of American basing. Most of this money pays for the infrastructure and operating costs of the bases (distinct from operating costs of the American military forces), including the salaries of Japanese citizens who work there. A significant portion of it, however, is used in direct payments to Japanese citizens who shoulder the inconveniences of the bases. This is particularly noticeable in Okinawa, where three-quarters of the land used by the US military is rented by the central Japanese government from Okinawan citizens who are the nominal landowners.<sup>141</sup> The result is a convoluted domestic political situation rife with conflicting incentives.

The political problems in Okinawa, however, are even deeper and more complex than American bases alone. Other factors converge and in many ways American military basing is a rallying point for a confluence of grievances. A major factor is the identity of Okinawans themselves, who have yet to come to a consensus on whether they are Japanese, something else entirely, or somewhere in between.<sup>142</sup> Contributing to this is Okinawa's unique historical legacy within Japan, having been the site of the largest battle between American and Japanese forces in the Pacific War. While estimates vary,

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<sup>139</sup> Hidemichi Katsumata, "Copter crash hits Japan-U.S. ties," *The Daily Yomiuri*, August 27, 2007. LexisNexis Academic.

<sup>140</sup> Yoshida, "Okinawa."

<sup>141</sup> Kent E. Calder, *Embattled Garrisons: Comparative Base Politics and American Globalism* (Princeton, NJ: Princeton University Press, 2007). 93–94, 129–139, 190–199.

<sup>142</sup> Inoue, *U.S. Military*. 66–69, 154–156.

approximately 150,000, or one in three, Okinawans lost their life as a result of the fighting, due to a combination of indiscriminate American tactics and Japanese brutality. After the war, even as Japan regained its sovereignty, Okinawa remained under American occupation and administered by the United States military until its reversion in 1972.<sup>143</sup> Complicating matters, Okinawa is the poorest prefecture in Japan with the highest unemployment rate and average incomes more than 20 percent below the national average. These combine with other factors like an incendiary local media to form a deep sense of victimization.<sup>144</sup> To some degree, American military basing touches on all these issues, virtually assuring it will be a perpetual flashpoint.

## **2. The 1996 Agreement to Return Futenma**

Longstanding frustrations on Okinawa erupted in 1995 when three American service members abducted and brutally raped a 12-year-old Okinawan schoolgirl.<sup>145</sup> Subsequent American actions, notably the long time it took to transfer the suspects into Japanese custody based on the status of forces agreement and insensitive comments made by the then Commander-in-Chief of Pacific Command, only added to the outrage.<sup>146</sup> Okinawan anger suddenly had a focal point and became extremely well organized, resulting in a massive demonstration of 85,000 in Ginowan and other forms of protest.<sup>147</sup>

This outpouring of anger prompted the Japanese and United States governments to begin negotiations to lessen the burden on Okinawa. The public portion of this was the formation of the Special Action Committee on Okinawa (SACO).<sup>148</sup> Unbeknownst even to SACO, however, the American and Japanese governments were conducting secret

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<sup>143</sup> George Feifer, "The Rape of Okinawa," *World Policy Journal* 17, no. 3 (Fall 2000): 33-34. JSTOR (<http://www.jstor.org/stable/40209702>).

<sup>144</sup> Ted Osius, *The U.S.-Japan Security Alliance: Why It Matters and How to Strengthen It* (Westport, CT: Praeger Publishers, 2002). 53-57.

<sup>145</sup> Inoue, Purves and Selden, "Okinawa Citizens," 264.

<sup>146</sup> Robert D. Eldridge, "The 1996 Okinawa Referendum on U.S. Base Reductions: One Question, Several Answers," *Asian Survey* 37, no. 10 (October 1997): 881. JSTOR (<http://www.jstor.org/stable/2645611>); Yoichi Funabashi, *Alliance Adrift* (New York, NY: Council on Foreign Relations Press, 1999). 335-336.

<sup>147</sup> Eldridge, "The 1996 Okinawa," 883.

<sup>148</sup> Inoue, Purves and Selden, "Okinawa Citizens," 264.



high-level discussions.<sup>149</sup> The result of these senior level talks was the February 1996 agreement to return MCAS Futenma to Okinawa after a replacement facility had been built.<sup>150</sup>

The decision to build a new base and return Futenma was made with little input from much of the Japanese government or local politicians. The governor of Okinawa, Masahide Ota, learned of the deal as a *fait accompli* when Prime Minister Ryutaro Hashimoto called him. (Whether or not Ota agreed to the deal on this phone call became a point of contention in later years.).<sup>151</sup> Similarly, the Vice Minister for the Okinawa Development Agency, Tetsuo Takikawa, said he was, “very surprised to hear the announcement while watching the televised joint press conference of Prime Minister Ryutaro Hashimoto and U.S. Ambassador to Japan Walter Mondale.”<sup>152</sup>

Even though the negotiations to return Futenma had been withheld from SACO, it soon fell to this committee to formulate plans for the replacement facility.<sup>153</sup> Seven months after the announcement, the director of the JDA revealed a plan to build a sea-based heliport in the harbor at Nago. This met with swift and strong resistance in Okinawa, and the Nago city council formally objected. Regardless of local opposition, however, in December, SACO endorsed the sea-based heliport in its “Final Report on Futenma Air Station.”<sup>154</sup>

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<sup>149</sup> Julia Yonetani, “Playing Base Politics in a Global Strategic Theater: Futenma Relocation, the G-8 Summit, and Okinawa,” *Critical Asian Studies* 33, no. 1 (2001): 72.

<sup>150</sup> Inoue, Purves and Selden, “Okinawa Citizens,” 264.

<sup>151</sup> Yonetani, “Playing,” 72–74.

<sup>152</sup> Saki Ouchi, “Bearding the bureaucrats Check out over Okinawa proposals,” *The Daily Yomiuri*, October 25, 1996. LexisNexus Academic.

<sup>153</sup> Yonetani, “Playing,” 72.

<sup>154</sup> Inoue, Purves and Selden, “Okinawa Citizens,” 264–265.

### 3. The 2006 and 2009 Agreements

The 1996 agreement to return Futenma in exchange for a replacement facility in Nago contained precious few details. Reaching a more detailed agreement on the relocation would prove far more difficult than either side expected and the decision dragged for almost a decade.

In late 2002 the United States and Japan initiated a study called the “Defense Policy Review Initiative” to analyze the roles and missions on which the alliance should focus. Finally, after more than two years of negotiations, the Japanese Minister of Foreign Affairs and Director General of the JDA and the American Secretaries of State and Defense jointly issued the “U.S.-Japan Alliance: Transformation and Realignment for the Future.”<sup>155</sup> That these discussions took so long was indicative of the contentiousness of several issues, especially basing, combined with poor management of the negotiating process by both sides. For example, the Japanese bureaucracy seldom spoke with one voice as the various ministries and agencies clearly did not coordinate policy prior to entering negotiations. Similarly, the United States foreign policy establishment was distracted by Iran, North Korea, and Iraq, leaving the American negotiators with insufficient support or attention from their own government. Compounding this was the lack of high-level attention from either government unless the negotiations appeared on the brink of collapse.<sup>156</sup>

These problems notwithstanding, this joint declaration outlined the main priorities of the alliance and included an extensive section on Futenma. In essence, both sides agreed that maintaining a force of U.S. Marines on Okinawa allowed for “rapid crisis response” which was “a critical alliance capability,” although much of the III MEF would be relocated to Guam. Those Marines remaining in Okinawa, however, must be

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<sup>155</sup> Daisaku Sakaguchi, “The Realignment of U.S. Forces in Japan and its Impact on the Interdependent Relationship between Japan and the U.S.,” *The National Institute for Defense Studies*, December 2009, <http://www.nids.go.jp/english/publication/kiyo/e2009.html> (accessed July 30, 2010).

<sup>156</sup> Yuki Tatsumi, *PacNet #19 - The Defense Policy Review Initiative: a reflection*, April 27, 2006, <http://csis.org/publication/pacnet-19-april-27-2006-defense-policy-review-initiative-reflection> (accessed September 3, 2010).

collocated with their helicopters to allow for adequate training. Consequently, the Futenma Replacement Facility (FRF) had to remain in Okinawa. This agreement stated that the FRF would be located at Camp Schwab and be built into Oura Bay. Furthermore, it declared that pending the replacement of Futenma and the relocation of the Marines to Guam, the United States would be capable of consolidating its forces into fewer bases covering a smaller area and would then be able to “return significant land in the densely populated areas south of Kadena Air Base.”<sup>157</sup>

This agreement was not the end of the negotiations, however. In May 2006, both states jointly released the “Japan-U.S. Roadmap for Realignment Implementation.” This statement covered much of the same ground as the previous year’s joint declaration but added more details. Importantly, unlike the previous year’s statement that used vague language to link the FRF to land returns and moving Marines to Guam, the Roadmap added specificity. Consequently, both the redeployment of the III MEF to Guam and the return of additional land became contingent upon “tangible progress toward completion of the FRF.”<sup>158</sup>

Importantly, the 2006 Roadmap was not a formal international agreement but rather a joint statement. It would take three more years before both governments formally accepted the realignment plan. In April 2009 the LDP-controlled Lower House of the Diet approved the clumsily named “Agreement Between the Government of Japan and the Government of the United States of America Concerning the Implementation of the Relocation of the III Marine Expeditionary Force Personnel and their Dependents from Okinawa to Guam.” Significantly, this agreement passed the Lower House with LDP and Komeito support but failed in the DPJ- and SDPJ-controlled

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<sup>157</sup> Security Consultative Committee, *U.S.-Japan Alliance: Transformation and Realignment for the Future*, October 29, 2005, <http://www.mofa.go.jp/region/n-america/us/security/scc/doc0510.html> (accessed August 27, 2010).

<sup>158</sup> Security Consultative Committee, *United States-Japan Roadmap for Realignment Implementation*, May 1, 2006, <http://www.mofa.go.jp/region/n-america/us/security/scc/doc0605.html> (accessed July 27, 2010).

Upper House.<sup>159</sup> This did not prevent the ratification of the agreement, however, since passing the Lower House was sufficient according to the Japanese constitution.<sup>160</sup>

Just a few months later, in September of 2009, the DPJ won a stunning electoral victory. During the campaign, the DPJ had indicated that it might renegotiate the FRF agreement and would work towards becoming an equal to the United States within the security alliance.<sup>161</sup> Additionally, the DPJ had promised to wrest power away from the bureaucracy and place it in the hands of politicians.<sup>162</sup> These two priorities, as will be described in detail below, guided Prime Minister Hatoyama's policies once he assumed power. In doing so, he clearly demonstrated that governmental power lies with the politicians but also showed that ineptly handling the bureaucracy could result in dramatic failure. The next section will describe how in the span of eight short months Prime Minister Hatoyama transitioned from bold statements about relocating Futenma to acquiescing to the original plan and promptly resigning.

## **C. HATOYAMA POLICY FORMATION**

### **1. Election Promises**

The relocation of MCAS Futenma has certainly been an inflammatory political issue for years, but it did not necessarily need to be one for the new DPJ administration. This case study highlights how politicians can influence the political prominence of specific defense policies. Unlike the BMD case study, where exogenous shocks were necessary to pull the matter out of apparent political neglect, Futenma was explicitly made an issue by the DPJ. To be sure, national level debates and extremely vocal Okinawan participation had been part of the negotiation process, but once the LDP

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<sup>159</sup> Yoshida, "Okinawa."

<sup>160</sup> Yomiuri, "Editorial; DPJ taking wrong stance on marine relocation," *The Daily Yomiuri*, April 16, 2009. LexusNexus Academic.

<sup>161</sup> Ogawa Satoshi and Miyai Toshimitsu, "Election 2009 - Battle for Power; U.S. keeps close eye on DPJ manifesto," *The Daily Yomiuri*, August 11, 2009. LexusNexus Academic.

<sup>162</sup> Tobias Harris, "How Will the DPJ Change Japan," *Naval War College Review* 63, no. 1 (Winter 2010): 80–81. <http://www.usnwc.edu/getattachment/2edd2044-c134-493b-82e0-a54967070763/How-Will-the-DPJ-Change-Japan->.

government had agreed in 2009 to implement the relocation plan there were few practical reasons to make it a political issue and excellent justifications to ignore it. The new DPJ government could have simply expressed self-righteous outrage but at the same time declared that once it became an official international agreement it could no longer be re-negotiated. Clearly, Hatoyama and the DPJ did not follow this course and they paid a high price.

The roots of the DPJ's decision to make Futenma a political issue and promise to move it off of Okinawa are unclear. The DPJ had certainly indicated that it did not approve of the 2006 Roadmap or the subsequent ratification of that agreement. Its 2009 manifesto and public statements from the party's leaders included vague language about changing the US-Japan security alliance into one of equals, but, importantly, stopped short of promising to move Futenma.<sup>163</sup> Whether intentional or not, these statements were ambiguous enough that the DPJ could have fairly easily abandoned them as typical election pandering, declaring that it could not set aside an existing international agreement. Amazingly, however, shortly after being elected, Hatoyama made Futenma the centerpiece of his administration. The reasons for this are unknown (and likely regretted now) but some hypotheses have been made. These include an assumption by the DPJ that Futenma could be dealt with quickly through direct negotiations with President Obama or that it was trying to unequivocally demonstrate it was not the LDP in advance of the 2010 Upper House elections.<sup>164</sup> Alternatively, Hatoyama may have been acting on his personal objection to the "extreme burden" that the American military presence places on the Okinawan people.<sup>165</sup> Whether any combination of these particular reasons is accurate is irrelevant to the larger point that the Futenma crisis was manufactured by the Hatoyama administration, demonstrating that politicians can influence the political salience of specific defense policies.

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<sup>163</sup> Jun Hongo, *DPJ shows stress fractures under pressure of leadership*, August 8, 2009, <http://search.japantimes.co.jp/cgi-bin/nn20090808f1.html> (accessed July 31, 2010).

<sup>164</sup> Tobias Harris, *Why did Hatoyama go after Futenma first?*, May 16, 2010, <http://www.observingjapan.com/2010/05/why-did-hatoyama-go-after-futenma-first.html> (accessed September 1, 2010).

<sup>165</sup> Jitsuro Terashima, *The Asia-Pacific Journal: Japan Focus*, August 9, 2010, <http://japanfocus.org/-Terashima-Jitsuro/3398> (accessed September 11, 2010).

Futenma, of course, was not the only issue for the DPJ but rather one of many. More broadly, the DPJ had promised to reform policy-making processes in Japan. There were two sides to this. First, it believed that the bureaucracy had too large a role in policy formation and its influence should be minimized. Second, it wanted to concentrate policy-making power within the DPJ to the senior leadership and prevent backbenchers from exerting control.<sup>166</sup>

The DPJ moved decisively to centralize power within the party to a select few senior politicians. In practice, this largely meant Ichiro Ozawa, the party general-secretary, Yukio Hatoyama, the party president and prime minister, and a few other key personnel who would form an “inner cabinet.” To further this objective the Policy Research Council (PRC) was disbanded with policy formation responsibilities transferred largely to the Cabinet and Ozawa.<sup>167</sup> Importantly, Ozawa, who was not a member of the Cabinet, concentrated party powers that are held by several people in the LDP. His role in the party was largely as an enforcer, ensuring that backbenchers supported the executive’s policies. This amount of power, however, also gave him significant influence within the Cabinet. In effect, Ozawa was “the critical hinge between cabinet and ruling party, and between ruling party and Diet.”<sup>168</sup>

These changes could not be implemented, however, without some cost. Analyzing and formulating policy requires an adequately sized and experienced staff. Unfortunately for the DPJ, neither of these characteristics could be met with this system, or, more broadly, with the personnel available to it in the Diet. Many of the candidates who were elected in 2009 were relatively young and were running for office for the first time.<sup>169</sup> Consequently, they had little policy formation experience and would have found it difficult to play any meaningful role even if there had been mechanisms in which they could participate. Abolishing the PRC and concentrating power in the senior party

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<sup>166</sup> Tobias Harris, “How Will,” 82–83.

<sup>167</sup> The DPJ’s PRC was analogous to the LDP’s PARC.

<sup>168</sup> Harris, “How Will,” 83–84.

<sup>169</sup> *Ibid.*, 79–80.

leadership, however, inhibited the party's ability to take advantage of what experience or information existed within its membership in any formalized way.

Without these policy formation weaknesses, the DPJ could have turned to the bureaucracy for support. In fact, observers of Japan had noted that the DPJ would be particularly in need of assistance from a professional bureaucracy.<sup>170</sup> Unfortunately for the DPJ, Hatoyama and Ozawa apparently believed even meeting with the bureaucracy clashed with their promise to exert political control. Consequently, in September 2009, Japan elected a young inexperienced political party that lacked internal mechanisms to vet policy and would not even meet with meet with bureaucrats. Not surprisingly, this rapidly resulted in incoherent policies that would cause the first DPJ Prime Minister to resign in less than a year.

## **2. Bureaucratic Banishment**

Immediately after taking control of the government, the new DPJ administration set about asserting its control over the bureaucracy. Perhaps the highest profile measure was abolishing the Administrative Vice Ministers meetings. This had the immediate effect of eliminating the bureaucracy's ability to set the agenda for the Cabinet and did away with each Administrative Vice Minister's de facto veto. The DPJ also inhibited bureaucrats' ability to sway public opinion by forbidding them to talk to the press without permission. Furthermore, stringent limits were placed on meetings between backbenchers and bureaucrats, which severely weakened both groups' ability to influence policy or subvert the Cabinet.<sup>171</sup> If this was not clear enough already, Hatoyama drove these points home by his refusal to meet with senior bureaucrats.<sup>172</sup>

These changes are illustrated by how Hatoyama's administration conducted meetings involving the Foreign Ministry, where the traditional pattern of bureaucratic

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<sup>170</sup> Tobias Harris, *Japan: The DPJ faces the bureaucracy*, June 25, 2009, <http://www.eastasiaforum.org/2009/06/25/japan-the-dpj-faces-the-bureaucracy/> (accessed July 31, 2010).

<sup>171</sup> Aurelia George Mulgan, *Decapitating the bureaucracy in Japan*, December 10, 2009, <http://www.eastasiaforum.org/2009/12/10/decapitating-the-bureaucracy-in-japan/> (accessed July 31, 2010).

<sup>172</sup> Hitoshi Tanaka, "Hatoyama's Resignation and Japan's Foreign Policy," *Japan Center for International Exchange*, 2010 June, <http://www.jcie.or.jp/insights/5-3.html> (accessed July 31, 2010).

domination with token political participation was more than reversed. Under the new DPJ government, MOFA meetings included the “minister, senior vice ministers and parliamentary secretaries.” Bureaucrats were not even allowed in the room. Making this procedure even more unusual was an apparent prohibition on releasing minutes. This resulted in lower level bureaucrats’ receiving verbal orders with little context as to how decisions were made or what the government’s objectives were.<sup>173</sup>

These changes had profound implications regarding policy formation. Most importantly, they provide unequivocal evidence that the executive can control the policy agenda despite objections from the bureaucracy. Proving this point, however, came with a steep price. Through these changes the DPJ had severed its information gathering mechanisms. By using such draconian means to establish executive dominance, Hatoyama and his cabinet cut almost all their lines of communication with the other elements of the government. While the LDP policy formation process had been cumbersome and filled with points where one person could effectively veto policy it also served to transfer information to the executive. By abolishing the PRC but not providing any alternate information gathering process, the DPJ leadership lost an important tool and replaced it with a very informal, weak, and ad hoc system. Furthermore, the basic function of any bureaucracy is to filter, analyze, and then push information to the decision makers in the government. Consequently, by excluding bureaucrats from policy formation, Hatoyama removed one of his most important information sources.<sup>174</sup> The result was an executive that was making policy decisions in the dark without realizing many of its ideas had already been considered and discarded for good reason.

### **3. Futenma Policy: Incoherent at Best, Incompetent at Worst**

Despite having made Futenma an issue, it soon became apparent that Hatoyama and the DPJ’s senior political leadership had no firm ideas about an alternate FRF except it should not be in Okinawa. Consequently, the DPJ had to start from scratch and

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<sup>173</sup> Chikara Shima, "Govt must consider 'political appointees'," *The Daily Yomiuri*, March 15, 2010. LexusNexus Academic.

<sup>174</sup> Hitoshi Tanaka, "Hatoyama's Resignation and Japan's Foreign Policy," *Japan Center for International Exchange*, June 2010, <http://www.jcie.or.jp/insights/5-3.html> (accessed July 31, 2010).



appointed a committee that would decide on the government's recommendation. Consistent with the DPJ's stated goal of minimizing bureaucratic influence, this committee had several political appointees including the State Secretary for Foreign Affairs, Koichi Takemasa, the Senior Vice Defense Minister, Kazuya Shimba, and the Chief Cabinet Secretary, Hirofumi Hirano. A few working-level bureaucrats were to assist the committee but their low level would have prevented them from exerting any significant influence.<sup>175</sup>

Of course, deciding on a new location for the FRF was not exclusively a Japanese decision but also required the consent of the United States. MOFA indicated to the DPJ leadership that it was prepared to have Ambassador, Ichiro Fujisaki, open negotiations with senior American diplomats in Washington, but this proposal was rejected. Fearing that holding negotiations in the United States would allow America to control the pace and, quite possibly, mistrusting their own foreign service bureaucracy, the Cabinet chose to pursue the familiar "2+2" format. Under this plan Foreign Minister Katsuya Okada and Defense Minister Toshimi Kitazawa would negotiate directly with their American counterparts.<sup>176</sup>

Making this entire plan even more difficult was the unrealistic timeline. Shortly after assuming office, Prime Minister Hatoyama announced that the Japanese government would resolve the FRF issue by the end of May, less than eight months after the election. This pronouncement borders on the ridiculous. Even the LDP, which the DPJ accused of being too accommodating to the United States, took well over a decade to negotiate an agreement about Futenma. How the DPJ thought it could throw out the previous agreement and renegotiate a replacement in eight short months is incomprehensible. Furthermore, negotiations require the active cooperation of both participants. If one of the parties will not even discuss the issue then negotiations are doomed from the start. Consequently, the DPJ timeline was almost entirely dependent on an actor it could not control. Not only was this an unrealistic promise, but it was a promise that the DPJ had

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<sup>175</sup> Kyodo News, *Cabinet to exclude bureaucrats from Futenma talks with U.S.*, March 11, 2010, <http://www.japantoday.com/category/politics/view/cabinet-to-exclude-bureaucrats-from-futenma-talks-with-us> (accessed July 31, 2010).

<sup>176</sup> Kyodo News, *Cabinet to exclude bureaucrats from Futenma talks with U.S.*

no power to complete unilaterally. Consequently, when the United States bluntly rebuffed the Hatoyama Cabinet's attempts at renegotiating, its promises were shown to be hollow.<sup>177</sup>

In addition to the United States, Hatoyama would have to convince his own supporters, especially on Okinawa, to accept a new plan.<sup>178</sup> For many Okinawans, the only acceptable solution was removing Futenma from the island. Promising this, however, was a significant mistake on Hatoyama's part since removing the base would be virtually impossible due to American resistance. This raised Okinawans' expectations beyond what could be reasonably achieved so almost any compromise with the United States would be seen as a broken promise. The fact that he did this is more remarkable since he did not have an alternate site ready to take the FRF nor an idea of where to put it.

Hatoyama effectively boxed himself into a corner by making promises he was largely powerless to deliver. In order to succeed, he needed the United States government to discard close to 15 years of negotiations and accept a different FRF, and an undetermined place in Japan would need to agree to host a new American base. All this had to be done in less than eight months.

Despite the mounting evidence that this plan was not going to work, Hatoyama did not amend his government's policy formation processes. His unwillingness to engage with the bureaucracy was highlighted by his proposal to build the FRF at Tokunoshima. In an interview after his resignation, Hatoyama admitted that this alternative was a recommendation by a junior Diet member and that the Cabinet did not inform the bureaucracy before announcing it. If he had ordered the bureaucracy to analyze Tokunoshima as an alternative location for the FRF he would have learned that it had

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<sup>177</sup> Tanaka, "Hatoyama's."

<sup>178</sup> Ibid.

already been studied and rejected by both the American and Japanese governments.<sup>179</sup> Hatoyama had seemingly mistaken requesting information from bureaucrats for permitting excessive influence.

Exacerbating Hatoyama's problems was his choice of Chief Cabinet Secretary. As the most powerful position in the executive aside from the Prime Minister, the Chief Cabinet Secretary is a powerful person, or more precisely, has the tools to be powerful. Hirofumi Hirano, however, lacked experience, having only served in party leadership positions and never in government. Considered one of Hatoyama's most loyal advisors, many observers believed that "Hirano's sole credential for the job is his close ties" with the Prime Minister.<sup>180</sup>

Symptomatic of his lack of qualifications, Hirano did not adequately fulfill his obligations as the Chief Cabinet Secretary. Most importantly, he exerted little influence in his role of coordinating government wide policy and only met a handful of senior bureaucrats. This was no doubt exacerbated by an apparent sluggishness in taking ownership of the Futenma issue despite the fact that he was the government official tasked with leading the relocation efforts. In fact, among the many jobs of the Chief Cabinet Secretary, the only one he seemed to embrace was that of spokesman, but even in that role, he was prone to gaffes and embarrassments.<sup>181</sup>

On top of this, Hatoyama seemed incapable of controlling his own cabinet. While he and Ozawa had expended considerable effort in successfully minimizing the influence of junior members of their own party, they were far less successful in doing so with the senior leadership. Throughout the entire process, members of the Cabinet expressed contradictory views. Consequently, the United States government never really knew what the Japanese government wanted, and the Japanese public was similarly confused.

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<sup>179</sup> Yakushiji Katsuyuki, *Hatoyama admits money flow caused his downfall*, June 19, 2010, <http://www.asahi.com/english/TKY201006180448.html> (accessed July 31, 2010).

<sup>180</sup> Tobias Harris, *Hatoyama, changing his mind, will appoint senior officials quickly*, September 04, 2009, <http://www.observingjapan.com/2009/09/hatoyama-changing-his-mind-will-appoint.html> (accessed September 11, 2010); Twisting Flowers, *Hirano: The New Key Man in the Futenma Issue*, January 29, 2010, <http://nejibana.com/2010/01/29/hirano-the-new-key-man-in-the-futenma-issue/> (accessed July 31, 2010).

<sup>181</sup> Tanaka, "Hatoyama's;" Twisting Flowers, "Hirano."

The public's perception was especially damaging and was succinctly captured by Masaru Kaneko, a Japanese economist, when he said, "It's like amateurs driving Formula One cars."<sup>182</sup>

The bureaucracy's response to the DPJ's Futenma initiatives is still not clear. There were signs that the bureaucracy was willing to accept the policies of the DPJ and be constructive partners in the process. This seems particularly true at MOFA, where the bureaucracy indicated its willingness to initiate negotiations with the United States, despite its opposition to inciting an international disagreement.<sup>183</sup> Contradicting these positive indications, other elements of the bureaucracy, even within MOFA, have been less helpful. For example, some members of the *foreign ministry* deflected orders to find an alternate FRF with the claim that the MOD was the responsible bureaucracy. Additionally, MOFA appears to have put forth little effort to arrange a meeting between Hatoyama and Obama for fear that the Futenma issue would become even more difficult.<sup>184</sup> These contradictory actions are likely indicative of a bureaucracy that was unsure about how to respond to the new policy procedures of the DPJ. While some resistance should be expected from elements within the bureaucracy, this may have been more pronounced than necessary due to the disorganization within the Hatoyama Cabinet.

Unfortunately, this confusion in the executive allows for conflicting but equally plausible explanations for the bureaucracy's actions. On the one hand, bureaucrats may have been passive because they knew the United States would not renegotiate the FRF and it was only a matter of time before the policy initiative failed. On the other hand, bureaucrats may have been uninvolved or taken contradictory actions because the executive was providing mixed signals. The conflicting efforts of the bureaucrats could conceivably have been good faith efforts to implement contradictory desires from the executive. Additionally, it is important to keep in mind that the bureaucracy is not a

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<sup>182</sup> Peter Ford, *Japan's Hatoyama tries to shift more power to the politicians*, March 9, 2010, <http://www.csmonitor.com/World/Asia-Pacific/2010/0309/Japan-s-Hatoyama-tries-to-shift-more-power-to-the-politicians> (accessed July 31, 2010).

<sup>183</sup> Leszek Buszynski, *Hatoyama and the US alliance*, November 27, 2009, <http://www.eastasiaforum.org/2009/11/27/hatoyama-and-the-us-alliance/> (accessed August 4, 2010).

<sup>184</sup> Sentaku Magazine, *Political hazards follow the dissing of bureaucrats*, May 17, 2010, <http://search.japantimes.co.jp/cgi-bin/ea20100517a1.html> (accessed September 10, 2010).

monolith, nor are the individual ministries. Just as the BMD case study indicated, each ministry may contain proponents of certain policies who are fighting for dominance. The confusion in the Cabinet would have provided more room for these conflicts and may have effectively invited contradictory actions between and within the ministries.

#### **4. A Resigned Hatoyama Resigns; DPJ Attempts Reforms**

By the end of May, it became obvious, even to Prime Minister Hatoyama, that the government would be unable to negotiate a new FRF plan. Consequently, he announced that he would accept the LDP agreement made the previous year and then resigned as Prime Minister and President of the DPJ just five days later. Editorials after his resignation captured the mood of many Japanese with phrases describing Hatoyama's leadership as "waffling and dithering" and stating that his "political responsibility for this fiasco is unlimited."<sup>185</sup>

Much of the blame was related to the government's inept attempts to control the bureaucracy. An editorial in *Asahi* stated that, "Its campaign to ensure lawmakers' leadership in policymaking [sic] has backfired because of its inability to make effective use of bureaucrats."<sup>186</sup> Similarly, the *Japan Times* opined that, "Mr. Hatoyama's handling of the Futenma issue showed his artlessness in utilizing the expertise of the bureaucracy and his inability to make the preparations needed to resolve a delicate issue."<sup>187</sup>

To counter these perceptions, the new Prime Minister, Naoto Kan, has taken several steps to reform the broken policy formation process. First, Kan toned down the anti-bureaucratic rhetoric by getting rid of slogans like, "From dependency on the bureaucracy toward a politician-led government,"<sup>188</sup> in an effort to gain credibility for his

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<sup>185</sup> *Asahi*, *Editorial: The Futenma Debacle*, May 31, 2010, <http://www.asahi.com/english/TKY201005300184.html> (accessed July 31, 2010).

<sup>186</sup> *Ibid.*

<sup>187</sup> *The Japan Times*, *A disappointing departure*, June 3, 2010, <http://search.japantimes.co.jp/cgi-bin/ed20100603a1.html> (accessed July 31, 2010).

<sup>188</sup> Akitoshi Muraoka, "Campaign pledges aside, can either party deliver?," *The Daily Yomiuri*, June 29, 2010. LexusNexus Academic.

claim to simply want “post-bureaucratic politics, not anti-bureaucratic politics.”<sup>189</sup> In addition to eliminating slogans, which is fairly easy to do, he has attempted to reopen communication with the bureaucracy by hiring more aides from the civil service.<sup>190</sup> Likewise, the DPJ is trying to rebuild its internal policy-making procedures, most notably by reestablishing the PRC. The reconstituted PRC is intended, however, to promote two-way communication within the DPJ and not to shift power away from the cabinet. Since Prime Minister Kan will likely continue to prohibit contact between bureaucrats and backbenchers, the PRC’s ability to subvert the cabinet will remain limited. Furthermore, Kan has appointed a member of the Cabinet to head the PRC, providing incentives for it to support the executive.<sup>191</sup>

#### **D. CONCLUSION**

Futenma provides tentative indications for how a DPJ led government will create defense policies, but it is only a single instance of policy formation. It is, however, the only complete defense-related case study under a party that has never governed before. This, paradoxically, is both the reason Futenma is worth examining and the reason any conclusions drawn from it are preliminary.

Compounding the problems inherent in using a single case, the DPJ, under Prime Minister Kan, has been attempting to correct the weaknesses associated with policy formation under his predecessor. It has already begun forging new connections with the bureaucracy and the party’s own backbenchers. Furthermore, the evidence that exists on the bureaucracy’s response to the DPJ is limited and contradictory and, unfortunately, focuses on MOFA and not MOD.

Despite these limitations, Futenma is still relevant. First, even with the political disaster that this issue brought upon Prime Minister Hatoyama, the DPJ has shown no

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<sup>189</sup> Tobias Harris, *Japan: The DPJ faces the bureaucracy*, June 25, 2009, <http://www.eastasiaforum.org/2009/06/25/japan-the-dpj-faces-the-bureaucracy/> (accessed July 31, 2010).

<sup>190</sup> Tanaka, “Hatoyama’s.”

<sup>191</sup> Tobias Harris, *The Kan System*, June 9, 2010, <http://www.observingjapan.com/search/label/politician-bureaucrat%20relationship> (accessed September 10, 2010).

signs of reverting to a bottom-up style of governance. Indeed, the changes in policy formation procedures that Prime Minister Kan has imposed appear intended to create a more effective top-down style of governance instead of what can arguably be described as Hatoyama's top-only approach. Second, this case has clearly demonstrated that the political leadership, at a minimum, is capable of setting its own agenda on defense issues regardless of the bureaucracy's wishes.

With these important considerations in mind, Futenma can still be used to assess the applicability of existing policy formation theories in the defense realm. To begin, the plan-rational model does not appear to have significant utility. At most, the bureaucracy was able to subvert the executive's plans through inaction. By simply not being proactive the government bureaucrats would have made policy implementation more difficult for the Cabinet. Simply hindering policy, however, is a far cry from the bureaucrat-led model advocated by Chalmers Johnson. While clumsy and heavy-handed, the DPJ undercut bureaucratic authority and influence by refusing to even meet with the civil service. This relegated the bureaucracy to a subservient role, where the most it could do was refuse to provide support to the political leadership in the hopes that the DPJ would fail on its own. Not assisting the political leadership in the hopes that its own bumbling will be ineffective, however, is not the sign of a strong bureaucracy that guides the nation's policies. This conclusion, however, should not be surprising since the political sensitivity surrounding Futenma is dissimilar to industrial policy. In fact, Futenma is so inflammatory that it may inherently be a policy area that is dominated by politicians, just as Johnson acknowledged was the case in agriculture and education.

The principal-agent model cannot be as easily discarded but this case study cannot prove its adequacy either. At its core, the principal-agent model assumes that the bureaucracy understands the objectives of the political leadership and that the latter is so powerful the former acquiesces. The DPJ, however, failed to make its intentions clear to the bureaucracy. This occurred in numerous ways, such as relying on verbal instructions to bureaucrats and various ministers' publicly announcing contradictory policies. As a result, it is quite likely that the bureaucracy had no clear guidance beyond moving the FRF somewhere other than Okinawa. With that lack of clarity, it is not surprising that

different elements of the bureaucracy seemed to pursue contradictory goals. Consequently, despite the DPJ's success at controlling the agenda of the policy debate, its failure to even communicate with the bureaucracy precludes an accurate test of the principal-agent model. Importantly, however, this is not necessarily a fatal flaw in applying the principal-agent model to the DPJ and its relationship with the bureaucracy. Presuming the DPJ can resolve its internal policy processes and settle on clear guidance for the bureaucracy, the principal-agent model may prove to have significant explanatory power.

This begs the question of just what model describes Japanese defense policy formation under the DPJ. While one case study is too small a sample to draw conclusive answers, Futenma indicates the DPJ may be making progress towards its objective of a Westminster-style parliamentary system. Even if the bureaucrats had been privately subverting the executive, the fact remains that the Cabinet set the agenda. This demonstrates that the bureaucracy can no longer achieve Chalmers Johnson's ideal of guiding policy, but, at most, can only hinder its implementation. Furthermore, while the PRC is being reconstituted, without contact with the bureaucrats it will struggle to become an independent source of power within the DPJ, forcing the backbenchers into a subordinate position to the Cabinet. The reasons a Westminster-style system are not more obvious could conceivably be due to the mismanagement of the Hatoyama cabinet. Had he chosen an issue that did not require the United States' acquiescence and had he coaxed or coerced his cabinet to speak with one voice, he may very well have had a different outcome and still be serving as prime minister.

In conclusion, while it is too soon to tell, Futenma may portend a new form of defense policy formation. This may take the form of a Westminster-style system (a principal-agent model itself) or some variation of Japan's traditional processes. What is more certain, however, is the executive has decisively demonstrated that it can control the policy-making agenda when it desires and that the bureaucracy, at most, can only hinder initiatives but cannot create ones themselves.



## IV. CONCLUSION

Considerable analytic effort has been expended on how Japan creates economic and industrial policies but the defense sector has largely been ignored. The policy formation models resulting from the economic and industrial fields, however, cannot simply be extended to national security without carefully determining if they are applicable. This requires assessing the adequacy of these theories against a comprehensive set of defense policies. Of course, this far exceeds the possible scope of a single thesis, but analyzing one narrow aspect of this question is possible. Consequently, this thesis examined how politicians and bureaucrats interact while making defense policy and then analyzed how well their behavior can be explained by existing policy formation theories. While definitive conclusions cannot be drawn from only two case studies, the ones presented here are helpful in providing indications about whether or not these theories are applicable, require revisions, or need to be discarded. In short, these case studies demonstrate that the bureaucrat-centered plan-rational model has extremely limited applicability but the politician-centered principal-agent model possesses a reasonable amount of explanatory power, although it requires several revisions.

Surprisingly, the plan-rational model is insufficient at explaining even the BMD case study. This is especially notable since the BMD program shares so many characteristics with the industrial and economic policies from which the plan-rational theory was developed. For example, like many industrial policies, BMD never incited strong public controversy and is technically complicated, requiring significant specialized knowledge. Despite these shared characteristics, however, bureaucrats were unable to advance the program on their desired schedule. Instead, the program only expanded when international crises created an atmosphere in which supporting BMD was advantageous to politicians. While it is possible that the program just happened to reach points that required legislative expansion only in the wake of North Korean provocations, what is far more likely is that bureaucrats held deep-seated reservations about their ability to convince the Diet to advance BMD so they waited for an amenable political climate.

This strongly indicates that bureaucrats could not get the Diet to simply rubberstamp their BMD proposals and were effectively dependent on external actors to establish the conditions in which program could expand.

Importantly, these characteristics of the BMD program not only critique the plan-rational model but point to the applicability of the principal-agent theory. Inherent in the bureaucracy's unwillingness to advance policies that it could not push through the Diet is an implicit understanding of what the political leadership was willing to support. Furthermore, the Diet and executive's decision to incrementally expand the program can be seen as maintaining an implicit veto. In essence, politicians would delegate a certain amount of authority to the bureaucracy but periodic reassessments were required to expand those bounds. Structurally, this gave the political leadership the upper hand because it could effectively choose to constrain the BMD program through inaction whereas the bureaucracy had to push for its goals. If the plan-rational model were in effect, the reverse should be expected. Essentially, the political leadership would have granted the bureaucracy wide, if not absolute, latitude in pursuing the program, either implicitly or explicitly, and politicians would have been required to take action to alter the program's progress.

Like BMD, Futenma undermines the plan-rational model and supports the applicability of the principal-agent theory. In this case, not only were the bureaucrats unable to create policy, but they were excluded from the entire process, including its management. Certainly, Futenma, with its highly controversial and public characteristics, is not an ideal test case for the plan-rational model, but if this theory were to have wide applicability, some characteristics of it should still be present. Instead, this case appears to more closely resemble agriculture and education policies in which politicians control bureaucrats. Two factors likely contribute to this. First, the governmental reforms that went into effect in 2001 gave the prime minister and the cabinet more explicit tools for controlling the bureaucracy. More importantly, however, are the DPJ's efforts to reign in the bureaucracy's influence through measures like abolishing the administrative vice ministers meetings and prohibiting bureaucrats from meeting with members of the Diet. These factors combined to create a bureaucracy that was, at most, only able to frustrate

the DPJ's efforts through passivity or possibly some extremely limited and veiled obstruction. This is not evidence, however, supporting the plan-rational model, which assigns the ability to formulate and implement policy to bureaucrats, not just hinder it.

Just as in the BMD case, the evidence against the plan-rational model supports the principal-agent theory. Clearly, the DPJ minimized the bureaucracy's ability to establish the agenda regarding Futenma and concentrated that power in the Cabinet. Furthermore as supported by admittedly limited evidence, the bureaucracy's response was mixed, with some elements attempting to assist the DPJ and others providing passive resistance. This should be expected, however, since the bureaucracy is not a monolith and different elements, even under the LDP, often pursued divergent courses. Additionally, the confusion and indecision displayed by Hatoyama and his Cabinet could have easily contributed to the bureaucracy's inconsistent actions. While divided political leadership is not specifically addressed in the plan-rational model, the bureaucracy's response to it better fits a system where bureaucrats are subordinate to politicians. With contradictory guidance emanating from the executive, combined with a new party that had never held power and little direct communication from the prime minister or his principal advisors, even a fully subordinated bureaucracy should be expected to take conflicting actions or simply stop taking action at all until it knows what is required of it. Significantly, however, this implies that if the DPJ can resolve its internal problems and speak with one voice the bureaucracy can be expected to follow.

Importantly, neither theory adequately explains the relationship between the executive, defined by the Prime Minister, Cabinet, and selected aides, on the one hand, and the Diet and majority party on the other. In the BMD case study, for example, the executive's unwillingness to pursue policies that exceeded perceived legislative support indicates that the Diet was the more powerful of the two. Before extrapolating any conclusions from this, however, it is important to remember that the executive successfully pushed other national security policies, such as the Anti-Terrorism and Iraq Special Measures Laws, through the Diet despite strong opposition. Furthermore, the Futenma case study clearly shows that a top-heavy party structure that concentrates power in a few key members allows even a bumbling but determined executive to

dominate the ruling party and Diet. The evidence available in these two case studies on the relationship between different groups of politicians can only support the observation that power is shared between the executive and the ruling party and Diet and that the balance can shift widely between the two. The most pronounced reason for these shifts is likely the executive's level of interest in a certain policy. This would explain the contradiction during the Koizumi Cabinet of allowing the Diet to dictate the parameters of the BMD program while simultaneously pushing for other controversial defense policies. Likewise, it partly explains why Futenma became a high-profile political issue after the DPJ came to power but BMD did not. The structure of the ruling party may be a factor as well but is likely secondary to the executive's objectives and willingness to pursue a given policy, since examples exist even under the bottom-up LDP of prime minister's pushing unpopular defense policies.

In addition to refining the relationships between politicians, a more accurate defense policy formation model would also need to incorporate other defense-specific factors. These case studies indicate at least three additional influences - American pressure, exogenous shocks, and public opinion - that affect defense policy differently than its economic and industrial counterparts. All three of these impact the executive, the Diet and party, and the bureaucracy to varying degrees and potentially can change their relative strengths.

First, American influence clearly affects Japanese policy. This includes overt pressure, like refusing to renegotiate Futenma's relocation, to more subtle forms that affect how policy makers frame issues, like the JDA bureaucrats' contention that Japan should pursue BMD just to strengthen the alliance. Furthermore, it is reasonable to assume that American influence on defense policy will be greater than its impact on the industrial and economic areas. Since industrial and economic policy involve all of Japan's trading partners, the United States is reduced to just one voice in the crowd, albeit a very loud and insistent one. The United States is Japan's only military ally, however, which gives Tokyo fewer alternatives if it does not share Washington's policy goals. The magnitude of America's influence is likely the most variable regarding Japanese politicians. Many Japanese bureaucrats already are strongly pro-American, as

evidenced by their support for BMD and hesitancy at renegotiating Futenma, and believe it is important to keep the United States satisfied with the alliance. Politicians, however, are not necessarily such strong supporters. In fact, the DPJ has accused the LDP of being too willing to accommodate American pressure and has already demonstrated its willingness to challenge the United States. Consequently, the ability of the United States to influence Japanese politicians will likely vary across party lines.

Second, advancing defense programs may be more dependent on exogenous shocks than industrial policy. Every major expansion of the BMD program, for example, was a result of provocative North Korean activity. In fact, it is difficult to imagine the executive or the Diet mustering the political will to fund BMD, much less tackle the constitutional questions surrounding it, had North Korea not fired several ballistic missiles towards Japan and tested a nuclear device. Consequently, moving defense policies beyond the status quo, at least those that are costly or impact sensitive constitutional questions, may only be possible if external actors provoke sufficient insecurity within the Japanese public and government. This factor likely exerts similar levels of influence on both bureaucrats and politicians and prompts them to move in the same policy direction.

Third, closely related to the impact of exogenous shocks is public opinion. Not only are politicians understandably attuned to public sentiment, but the MOD, likely due to the sensitivity of defense issues, appears to be more responsive to it than METI and MOF. In fact, the public outcry after North Korea fired a missile over Japan was one of the factors that convinced BMD detractors in the JDA to support the program, even in defiance to their own parochial interests. If public opinion consistently trumps bureaucratically entrenched interests, then it will be an important factor to consider in defense policy formation models.

In conclusion, elements of existing policy formation theories are suitable for the defense sector. Specifically, the principal-agent model appears to be generally applicable to the relationship between politicians and bureaucrats, although it is inadequate at explaining the interactions between politicians. The plan-rational model, however, appears to have extremely limited utility. The fact that it can only provide minimal

explanations in an ideal test case indicates that it will be even less beneficial across the range of defense policies. Consequently, despite its weaknesses, the principal-agent theory has the potential to be refined into an accurate defense policy formation model.

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